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DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND  
URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES  
APPROPRIATIONS BILL, 2005

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SEPTEMBER 21, 2004.—Ordered to be printed

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Mr. BOND, from the Committee on Appropriations,  
submitted the following

**REPORT**

[To accompany S. 2825]

The Committee on Appropriations reports the bill (S. 2825) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2005, and for other purposes, reports favorably thereon and recommends that the bill do pass.

*Amount of new budget (obligational) authority*

Amount of bill as reported to Senate .....	\$130,038,049,000
Amount of appropriations, 2004 .....	123,483,681,000
Amount of budget estimates, 2005 .....	127,235,739,000
Above estimates for 2005 .....	2,802,310,000
Above appropriations for 2004 .....	6,554,368,000

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## INTRODUCTION

The Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies appropriations bill for fiscal year 2005 provides a total of \$130,038,049,000 in budget authority, including approximately \$35,108,084,000 in mandatory spending. The Committee did its best to meet all important priorities within the bill, with the highest priority given to veterans programs and section 8 contract renewals. Other priorities included maintaining environmental programs at or above current year levels, and ensuring needed funds for our Nation's space and scientific research programs. The Committee paid special attention to the final report of the Columbia Accident Investigation Board which was issued on August 26, 2003.

As recommended by the Committee, this bill attempts to provide a fair and balanced approach to the many competing programs and activities under the VA-HUD subcommittee's jurisdiction.

The Committee recommendation provides \$32,951,348,000 in discretionary funding for the Department of Veterans Affairs, an increase of \$2,260,874,000 above the fiscal year 2004 enacted level and \$1,295,823,000 above the budget request. The funds include \$1,200,000,000 in emergency funding for medical services. The Committee has made veterans programs the highest priority in the bill. Increases in VA programs above the budget request are recommended for medical services, medical research, and operating expenses for the Veterans Benefits Administration.

For the Department of Housing and Urban Development, the Committee recommendation totals \$36,417,763,000, an increase of \$1,015,504,000 above the fiscal year 2004 enacted level and \$698,404,000 above the budget request. The Committee has provided significant funding for all HUD programs while also providing the needed funding for all expiring section 8 contracts. The Committee believes a balanced approach to the funding of housing programs is key to meeting the housing needs of low-income families.

For the Environmental Protection Agency, the Committee recommendation totals \$8,500,408,000, an increase of \$134,591,000 above the fiscal year 2004 enacted level and an increase of \$711,163,000 above the budget request.

The Committee recommendation for the National Aeronautics and Space Administration totals \$15,579,200,000, the same as the fiscal year 2004 level and \$664,800,000 below the budget request.

For the National Science Foundation, the Committee recommendation totals \$5,747,000,000, an increase of \$2,310,000 above the budget request. The Committee views NSF as a key investment in the future and this funding is intended to reaffirm the strong and longstanding leadership of this Committee in support of scientific research and education.

## REPROGRAMMING AND INITIATION OF NEW PROGRAMS

The Committee continues to have a particular interest in being informed of reprogrammings which, although they may not change either the total amount available in an account or any of the purposes for which the appropriation is legally available, represent a significant departure from budget plans presented to the Committee in an agency's budget justifications.

Consequently, the Committee directs the Departments of Veterans Affairs and Housing and Urban Development, and the agencies funded through this bill, to notify the chairman of the Committee prior to each reprogramming of funds in excess of \$250,000 between programs, activities, or elements unless an alternate amount for the agency or department in question is specified elsewhere in this report. The Committee desires to be notified of reprogramming actions which involve less than the above-mentioned amounts if such actions would have the effect of changing an agency's funding requirements in future years or if programs or projects specifically cited in the Committee's reports are affected. Finally, the Committee wishes to be consulted regarding reorganizations of offices, programs, and activities prior to the planned implementation of such reorganizations.

The Committee also expects the Departments of Veterans Affairs and Housing and Urban Development, the Environmental Protection Agency, the National Aeronautics and Space Administration, the National Science Foundation, the Corporation for National and Community Service, and the Consumer Product Safety Commission, to submit operating plans, signed by the respective secretary, administrator, chief executive officer, or agency head, for the Committee's approval within 30 days of the bill's enactment. Other agencies within the bill should continue to submit operating plans consistent with prior year policy.

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

Appropriations, 2004 .....	\$63,400,186,000
Budget estimate, 2005 .....	66,763,609,000
Committee recommendation .....	68,059,432,000

PROGRAM DESCRIPTION

The Veterans Administration was established as an independent agency by Executive Order 5398 of July 21, 1930, in accordance with the Act of July 3, 1930 (46 Stat. 1016). This act authorized the President to consolidate and coordinate Federal agencies especially created for or concerned with the administration of laws providing benefits to veterans, including the Veterans' Bureau, the Bureau of Pensions, and the National Home for Disabled Volunteer Soldiers. On March 15, 1989, VA was elevated to Cabinet-level status as the Department of Veterans Affairs.

The VA's mission is to serve America's veterans and their families as their principal advocate in ensuring that they receive the care, support, and recognition they have earned in service to the Nation. The VA's operating units include the Veterans Health Administration, Veterans Benefits Administration, National Cemetery Administration, and staff offices.

The Veterans Health Administration develops, maintains, and operates a national health care delivery system for eligible veterans; carries out a program of education and training of health care personnel; carries out a program of medical research and development; and furnishes health services to members of the Armed Forces during periods of war or national emergency. A system of 157 hospitals, 879 outpatient clinics, 133 nursing homes, and 42 VA residential rehabilitation treatment programs (formerly called "domiciliaries") is maintained to meet the VA's medical mission.

The Veterans Benefits Administration provides an integrated program of nonmedical veteran benefits. This Administration administers a broad range of benefits to veterans and other eligible beneficiaries through 58 regional offices and the records processing center in St. Louis, MO. The benefits provided include: compensation for service-connected disabilities; pensions for wartime, needy, and totally disabled veterans; vocational rehabilitation assistance; educational and training assistance; home buying assistance; estate protection services for veterans under legal disability; information and assistance through personalized contacts; and six life insurance programs.

The National Cemetery Administration provides for the interment of the remains of eligible deceased servicepersons and discharged veterans in any national cemetery with available grave space; permanently maintains these graves; marks graves of eligible persons in national and private cemeteries; and administers the grant program for aid to States in establishing, expanding, or im-

proving State veterans' cemeteries. The National Cemetery Administration includes 158 cemeterial installations and activities.

Other VA offices, including the general counsel, inspector general, Boards of Contract Appeals and Veterans Appeals, and the general administration, support the Secretary, Deputy Secretary, Under Secretary for Health, Under Secretary for Benefits, and the Under Secretary for Memorial Affairs.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$68,059,432,000 for the Department of Veterans Affairs, including \$35,108,084,000 in mandatory spending and \$32,951,348,000 in discretionary spending. The amount provided for discretionary activities represents an increase of \$2,260,874,000 above the fiscal year 2004 enacted level and \$1,295,823,000 above the budget request.

The Committee once again has made VA its top priority in the fiscal year 2005 VA–HUD bill. Specifically, veterans' medical care funding remains a major priority.

The Committee is primarily interested in ensuring that the VA's core constituency—veterans with service-connected disabilities, lower-income veterans, and veterans who require specialized services—have timely access to quality medical care services. Accordingly, the Committee remains strongly committed to funding fully the health care needs of VA's core constituents.

Addressing the health care needs of VA's core constituents, unfortunately, remains a major challenge for the Committee due to the overwhelming demand of new veterans seeking VA services. Laws enacted by the Congress that expanded eligibility and benefits to all veterans have primarily caused this overwhelming demand and driven up the funding needs for the VA medical care account. In 1996, the Congress enacted the "Veterans' Health Care Eligibility Reform Act." This Act opened up VA health care services to all 26 million veterans—thus, veterans of any income level and veterans with or without service-connected disabilities are eligible to enroll. The primary authors of eligibility reform believed that this Act would attract relatively few new users and would be budget neutral. In 1999, the Congress passed the "Veterans Millennium Health Care Act", which expanded long-term care benefits for veterans.

Further, increased demand was influenced by the opening of hundreds of new outpatient clinics and by the vastly improved quality of care through numerous medical technological innovations.

The combination of these factors has resulted in a 54 percent growth in users in the VA health care system since 1996 with non-core veterans comprising the largest percentage increase. Further, the number of enrolled veterans has grown from 4.3 million veterans in fiscal year 1999 to 7.2 million veterans in fiscal year 2004.

To respond to this exploding growth, the Congress has increased VA medical care funding by some \$11,000,000,000 since 1998. Since 2001, the Congress has increased VA medical care funding by \$7,300,000,000 alone or 34.7 percent. In 1997, the Congress allowed the VA to use third-party insurance collections for medical

care purposes instead of transferring these funds to the Treasury Department as previously required.

While the Committee has provided record funding increases to meet the needs of VA's core constituents and the VA has done much to improve access to health care, many veterans face long waiting times to see a doctor and some veterans must travel long distances to reach a VA facility due to overwhelming growth in non-core patients. In fact, many core veterans must wait over 6 months for a primary care or specialty care appointment and nearly 2 million or more than 25 percent of enrolled veterans live over 60 minutes driving time from a VA hospital. At its highest point, over 300,000 veterans were waiting more than 6 months for a medical care appointment.

The administration has addressed the problems of access and waiting times for VA's core patients by suspending the enrollment of certain higher income veterans without service-connected disabilities ("Priority 8" veterans) as dictated by the 1996 Act. The authors of the 1996 Act expected the VA to suspend enrollment in order to prevent "diminishing the quality of care to an unacceptable level or unreasonably delaying the timeliness of VA's care delivery." Further, the law provided the VA with "new tools both to limit demand consistent with available funding and to discourage veterans from seeking VA care simply to fill an occasional need not met by a private health plan."

In addition to suspending enrollment of higher income veterans, the VA established new rules that require VA medical facilities to provide priority access for service-connected veterans rated 50 percent disabled or greater. Further, the VA recently implemented a pilot program to allow veterans on the waiting list to fill their privately written prescriptions from the VA (this program is called the "Transitional Pharmacy Benefit" or TPB program). These actions along with the additional funds provided by the Congress have almost eliminated the waiting list in its entirety.

Despite this progress and the expected decline in the overall veteran population, the VA faces an impending challenge over the next decade in meeting the medical care needs of its constituents. VA's recent projections of acute health care workload indicate a significant surge in demand for acute health care services over the next 10 years. VA's data also indicates that specialty outpatient demand is expected almost to double by fiscal year 2012.

To respond to this expected growth in demand for VA health care service, the VA recently announced a national plan on May 7, 2004, to improve veterans' access to medical care by realigning its medical care infrastructure. Under this plan, called the Capital Asset Realignment for Enhanced Services or CARES initiative, the VA will make better use of its medical care resources by reducing its excess capacity and increasing its capacity in areas of higher demand. In effect, CARES will allow the VA to treat thousands more veterans without significant increases to medical care funds.

For fiscal year 2005, the Committee has provided \$1,736,546,000 in additional funding above the fiscal year 2004 enacted level for VA medical services. This amount is \$1,200,000,000 above the budget request. The Committee provided these additional funds over the budget request because the Committee bill did not include

the administration's proposed new fees on higher-income veterans. The administration proposed these new fees to raise revenue to pay for care for its core constituents.

In addition to medical services funding, the Committee has provided additional funding for medical and prosthetic research and operating expenses for the Veterans Benefits Administration [VBA].

The Committee has chosen not to use the administration's new budget account structure due to the changes already made by the conferees in the fiscal year 2004 appropriations act. The Committee applauds the administration's efforts to align better the costs and funding with each program. However, the Committee is sensitive to the administrative burden on VA staff in implementing such major changes and advises the administration to take this concern into mind when exploring future account changes.

#### VETERANS BENEFITS ADMINISTRATION

##### COMPENSATION AND PENSIONS

##### (INCLUDING TRANSFER OF FUNDS)

Appropriations, 2004 .....	\$29,845,127,000
Budget estimate, 2005 .....	32,607,688,000
Committee recommendation .....	32,607,688,000

##### PROGRAM DESCRIPTION

Compensation is payable to living veterans who have suffered impairment of earning power from service-connected disabilities. The amount of compensation is based upon the impact of disabilities on earning capacity. Death compensation or dependency and indemnity compensation is payable to the surviving spouses and dependents of veterans whose deaths occur while on active duty or result from service-connected disabilities. A clothing allowance may also be provided for service-connected veterans who use a prosthetic or orthopedic device.

Pensions are an income security benefit payable to needy wartime veterans who are precluded from gainful employment due to non-service-connected disabilities which render them permanently and totally disabled. Under the Omnibus Budget Reconciliation Act of 1990, veterans 65 years of age or older are no longer considered permanently and totally disabled by law and are thus subject to a medical evaluation. Death pensions are payable to needy surviving spouses and children of deceased wartime veterans. The rate payable for both disability and death pensions is determined on the basis of the annual income of the veteran or his survivors.

This account also funds burial benefits and miscellaneous assistance. The estimated caseload and cost by program for 2004 and 2005 are included in the budget justification materials.

##### COMMITTEE RECOMMENDATION

The Committee recommends \$32,607,688,000 for compensation and pensions. This is an increase of \$2,762,561,000 above the fiscal year 2004 enacted level and the same as the budget request. This amount includes the cost of living adjustment for fiscal year 2005.

The appropriation includes \$20,703,000 in payments to the "General operating expenses" and "Medical services" accounts for expenses related to implementing provisions of the Omnibus Budget Reconciliation Act of 1990, the Veterans' Benefits Act of 1992, the Veterans' Benefits Improvements Act of 1994, and the Veterans' Benefits Improvements Act of 1996. The amount also includes funds for a projected fiscal year 2005 cost-of-living increase of 1.3 percent for pension recipients.

#### READJUSTMENT BENEFITS

Appropriations, 2004 .....	\$2,529,734,000
Budget estimate, 2005 .....	2,556,232,000
Committee recommendation .....	2,556,232,000

#### PROGRAM DESCRIPTION

The readjustment benefits appropriation finances the education and training of veterans and servicepersons whose initial entry on active duty took place on or after July 1, 1985. These benefits are included in the All-Volunteer Force Educational Assistance Program (Montgomery GI bill) authorized under 38 U.S.C. 30. Eligibility to receive this assistance began in 1987. Basic benefits are funded through appropriations made to the readjustment benefits appropriation and transfers from the Department of Defense. Supplemental benefits are also provided to certain veterans and this funding is available from transfers from the Department of Defense. This account also finances vocational rehabilitation, specially adapted housing grants, automobile grants with the associated approved adaptive equipment for certain disabled veterans, and educational assistance allowances for eligible dependents of those veterans who died from service-connected causes or have a total permanent service-connected disability as well as dependents of servicepersons who were captured or missing in action. The estimated caseload and cost by program for 2004 and 2005 are included in the budget justification materials.

#### COMMITTEE RECOMMENDATION

The Committee recommends the budget estimate of \$2,556,232,000 for readjustment benefits. The amount recommended is an increase of \$26,498,000 above the fiscal year 2004 enacted level.

#### VETERANS INSURANCE AND INDEMNITIES

Appropriations, 2004 .....	\$29,017,000
Budget estimate, 2005 .....	44,380,000
Committee recommendation .....	44,380,000

#### PROGRAM DESCRIPTION

The veterans insurance and indemnities appropriation is made up of the former appropriations for military and naval insurance, applicable to World War I veterans; National Service Life Insurance, applicable to certain World War II veterans; Servicemen's indemnities, applicable to Korean conflict veterans; and veterans

mortgage life insurance to individuals who have received a grant for specially adapted housing.

COMMITTEE RECOMMENDATION

The Committee recommends the budget estimate of \$44,380,000 for veterans insurance and indemnities. This is an increase of \$15,363,000 above the fiscal year 2004 enacted level. The Department estimates there will be 7,439,095 policies in force in fiscal year 2005 with a value of \$747,636,000,000.

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Program account	Administrative expenses
Appropriations, 2004 .....	<sup>1</sup> \$305,834,000	\$153,936,385
Budget estimate, 2005 .....	43,784,000	154,075,000
Committee recommendation .....	43,784,000	154,075,000

<sup>1</sup> Reflects subsidy estimate from last year's report. The new estimate for 2004 is \$278,215,000.

PROGRAM DESCRIPTION

This appropriation provides for all costs, with the exception of the Native American Veteran Housing Loan Program, of VA's direct and guaranteed housing loans, as well as the administrative expenses to carry out these programs, which may be transferred to and merged with the general operating expenses appropriation.

VA loan guaranties are made to service members, veterans, reservists and unremarried surviving spouses for the purchase of homes, condominiums, manufactured homes and for refinancing loans. VA guarantees part of the total loan, permitting the purchaser to obtain a mortgage with a competitive interest rate, even without a downpayment if the lender agrees. VA requires that a downpayment be made for a manufactured home. With a VA guaranty, the lender is protected against loss up to the amount of the guaranty if the borrower fails to repay the loan.

COMMITTEE RECOMMENDATION

The Committee recommends such sums as may be necessary for funding subsidy payments, estimated to total \$43,784,000, and \$154,075,000 for administrative expenses. The administrative expenses may be transferred to the "General operating expenses" account. Bill language limits gross obligations for direct loans for specially adapted housing to \$500,000.

EDUCATION LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Program account	Administrative expenses
Appropriations, 2004 .....	\$994	\$69,587
Budget estimate, 2005 .....	.....	.....
Committee recommendation .....	.....	.....

PROGRAM DESCRIPTION

This appropriation covered the cost of direct loans for eligible dependents and, in addition, it includes administrative expenses necessary to carry out the direct loan program. This loan fund program was terminated pursuant to enactment of Public Law 108-183, the Veterans Benefits Act of 2003. Section 306 of this Act repealed all provisions relating to the obsolete education loan program.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

	Program account	Administrative expenses
Appropriations, 2004 .....	\$51,693	\$298,230
Budget estimate, 2005 .....	47,000	311,000
Committee recommendation .....	47,000	311,000

PROGRAM DESCRIPTION

This appropriation covers the funding subsidy cost of direct loans for vocational rehabilitation of eligible veterans and, in addition, it includes administrative expenses necessary to carry out the direct loan program. Loans of up to \$910 (based on indexed chapter 31 subsistence allowance rate) are available to service-connected disabled veterans enrolled in vocational rehabilitation programs as provided under 38 U.S.C. chapter 31 when the veteran is temporarily in need of additional assistance. Repayment is made in 10 monthly installments, without interest, through deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance, or retirement pay.

COMMITTEE RECOMMENDATION

The Committee recommends the requested \$47,000 for program costs and \$311,000 for administrative expenses for the Vocational Rehabilitation Loans Program account. The administrative expenses may be transferred to and merged with the "General operating expenses" account. Bill language is included limiting program direct loans to \$4,108,000. It is estimated that VA will make 4,524 loans in fiscal year 2005, with an average amount of \$908.

Language was added allowing the principal amount of direct loans to be calculated based on the subsidy appropriated for the Vocational Rehabilitation Loans Program account. The loan level provided in the language should be considered an estimate. The Committee directs the Department to monitor carefully the program's loan activity and notify the Committee during the year if it determines that it may exceed the loan level amount.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

	<i>Administrative expenses</i>
Appropriations, 2004 .....	\$567,631
Budget estimate, 2005 .....	571,000
Committee recommendation .....	571,000

PROGRAM DESCRIPTION

This program will test the feasibility of enabling VA to make direct home loans to native American veterans who live on U.S. trust lands. It is a pilot program that began in 1993 and expires on December 31, 2005. Subsidy amounts necessary to support this program were appropriated in fiscal year 1993.

COMMITTEE RECOMMENDATION

The Committee recommends the budget estimate of \$571,000 for administrative expenses associated with this program in fiscal year 2005. These funds may be transferred to the "General operating expenses" account.

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS VETERANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

PROGRAM DESCRIPTION

This program was established by Public Law 105-368, the Veterans Programs Enhancement Act of 1998. The program is a pilot project designed to expand the supply of transitional housing for homeless veterans and to guarantee up to 15 loans with a maximum aggregate value of \$100,000,000. Not more than five loans may be guaranteed in the first 3 years of the program. The project must enforce sobriety standards and provide a wide range of supportive services such as counseling for substance abuse and job readiness skills. Residents will be required to pay a reasonable fee.

COMMITTEE RECOMMENDATION

All funds authorized for this program have been appropriated. Therefore, additional appropriations are not required. Administrative expenses of the program, limited to \$600,000 for fiscal year 2005, will be borne by the "Medical administration" and "General operating expenses" appropriations.

VETERANS HEALTH ADMINISTRATION

PROGRAM DESCRIPTION

The Department of Veterans Affairs [VA] operates the largest Federal medical care delivery system in the country, with 157 hospitals, 42 VA residential rehabilitation treatment programs (formerly called "domiciliaries"), 133 nursing homes, and 879 outpatient clinics which includes independent, satellite, community-based, and rural outreach clinics.

In 2004, the Congress funded the Veterans Health Administration [VHA] through a new account structure comprised of four accounts: medical services, medical administration, medical facilities, and medical and prosthetic research. This action was taken to provide better oversight and to receive a more accurate accounting of funds.

The Department of Veterans Affairs Medical Care Collections Fund [MCCF] was established by the Balanced Budget Act of 1997 (Public Law 105–33). In fiscal year 2004, Public Law 108–199 allowed the Department to deposit first-party and pharmacy co-payments, third-party insurance payments and enhanced use collections, long-term care co-payments, Compensated Work Therapy Program collections, Compensation and Pension Living Expenses Program collections, Parking Program fees, and collections from the sales of assets into the MCCF.

The Parking Program provides funds for the construction, alteration, and acquisition (by purchase or lease) of parking garages at VA medical facilities authorized by 38 U.S.C. 8109. The Secretary is required under certain circumstances to establish and collect fees for the use of such garages and parking facilities. Receipts from the parking fees are to be deposited into the MCCF and would be used for medical services activities.

COMMITTEE RECOMMENDATION

The Committee recommendation includes \$28,354,192,800 for the Veterans Health Administration [VHA] for fiscal year 2005, without collections. This amount is comprised of \$19,498,600,000 for medical services, \$4,705,000,000 for medical administration, \$3,745,000,000 for medical facilities, and \$405,592,800 for medical and prosthetic research. With medical care collections expected to be \$2,002,000,000 and projected carryover to be \$800,812,000, VHA will have total resources of \$31,157,004,800 available in fiscal year 2005.

MEDICAL SERVICES

(INCLUDING TRANSFERS)

	Direct appropriations	Medical care collections	Total medical services with collections
Appropriations, 2004 .....	\$17,762,054,000	\$1,554,794,000	\$19,316,848,000
Budget estimate, 2005 .....	18,298,600,000	2,002,000,000	20,300,600,000
Committee recommendation .....	19,498,600,000	2,002,000,000	21,500,600,000

PROGRAM DESCRIPTION

The “Medical services” account provides for medical services of eligible veterans and beneficiaries in VA medical centers, outpatient clinic facilities, contract hospitals, State homes, and outpatient programs on a fee basis. Hospital and outpatient care is also provided by the private sector for certain dependents and survivors of veterans under the civilian health and medical programs for the VA.

## COMMITTEE RECOMMENDATION

The Committee recommendation includes \$19,498,600,000 in direct appropriations for medical services in fiscal year 2005, an increase of \$1,736,546,000 over the fiscal year 2004 enacted level and \$1,200,000,000 above the budget request. The Committee has designated \$1,200,000,000 as contingent emergency funds. In addition, VA has authority to retain co-payments and third-party collections, estimated to total \$2,002,000,000 in fiscal year 2005. Combined with the appropriated funds, medical services would receive \$2,183,752,000 in additional funds above the fiscal year 2004 enacted level. Therefore, the VA would receive a total of \$21,500,600,000 for medical services in fiscal year 2005.

The bill includes requested language in the Compensation, Pension, and Burial Benefits appropriation transferring \$11,203,000 for administrative expenses of implementing cost saving provisions required by the Omnibus Budget Reconciliation Act of 1990, and the Veterans' Benefits Act of 1992.

The Committee has included bill language under administrative provisions to allow the Secretary to transfer funds between the medical services appropriation, medical administration appropriation, and medical facilities appropriation with a limitation on transfers up to 20 percent as necessary after notifying the Committees on Appropriations.

The Committee has included bill language to make available through September 30, 2006, up to \$1,100,000,000 of the medical services appropriation. This provides flexibility to the Department as it continues to implement significant program changes.

*Emergency Funding.*—The Committee has provided \$1,200,000,000 in emergency funding for medical services due to the unanticipated and urgent need of veterans seeking medical treatment and services. Because of new laws enacted by the Congress that opened up medical service eligibility to all veterans and vastly expanded benefits, the VA has seen an unprecedented and unanticipated growth in workload. This growth was originally unexpected because the authors of the act believed that eligibility reform's "impact would be less far-reaching in practice than it appears on its face." Further, the authors believed that the "view of VA being besieged by a large wave of new enrollees for VA care is unrealistic." These beliefs led to the authors' conclusion that the eligibility reform would be budget neutral. Nevertheless, since the enactment of eligibility reform, demand for VA care has risen by 54 percent with "non-core" veterans comprising the largest percentage increase. Moreover, enrollments have increased by some 3.1 million since 1999 alone.

Further, the Congress enacted "The Veterans Programs Enhancement Act of 1998", which legally requires VA to provide 2 years of medical care benefits for returning service-members, including members of the National Guard and Reserve, upon release or separation from service. This law was originally passed to meet the medical care needs of those veterans who had served in the first Persian Gulf War and it applies to those service-members currently serving in the Iraqi conflict. To address the medical care and benefit processing needs of some of the first returning service-mem-

bers, the Congress provided a downpayment of \$100,000,000 funds in the Emergency Wartime Supplemental Appropriations Act (Public Law 108–11) in fiscal year 2003. Since the enactment of Public Law 108–11, the VA has seen an upsurge in wounded returning service-members from the Iraqi conflict. As of September 22, 2003, 15,813 service-members who served in Operation Iraqi Freedom have separated from military duty. Among these service-members, almost 2,000 or 12.4 percent had sought VA health care during 2003. However, according to a May 19, 2004, VA analysis, 139,778 service-members who served in Operation Iraqi Freedom have separated from military duty. Among these service-members, 21,021 or 15 percent had sought VA health care. Further, 58 percent of these veterans who received VA health care were members of the Reserve/National Guard.

In response to the thousands of returning veterans from Iraq and Afghanistan, the VA has taken a number of steps to ensure smooth and seamless transition for these veterans from the Department of Defense to the VA. For example, the Department has detailed veterans service representatives and social workers to military treatment facilities, such as Walter Reed Army Medical Center and the National Naval Medical Center in Bethesda. The Committee commends the Department for these efforts, however, the Committee remains concerned that these efforts are not adequate in meeting the demand of returning service members. Accordingly, the Committee strongly urges the Department to allocate the resources and staffing necessary to improve the transition from DOD to the VA for returning service members and directs the Department to submit a report to the Committees on Appropriations on the specific steps, funds, and staff assigned to this effort. This report should be submitted by no later than April 12, 2005.

*CARES.*—The Committee has provided bill language that allows the Secretary to transfer up to \$250,000,000 from medical services to major construction for purposes of implementing the Capital Asset Realignment for Enhanced Services or “CARES” program. This language is included to provide the Secretary with the flexibility to provide increased funding to the major construction account in order to accelerate the implementation of the CARES recommendations adopted by the Secretary on May 7, 2004. The Committee directs the Secretary to notify the Committee prior to the transfer of funds. This notification should include the amount of funds transferred and the specific projects funded.

*Homelessness.*—According to the VA, the Department expects to spend around \$1,470,000,000 (an increase of \$100,000,000 over fiscal year 2004) in medical care funds to serve homeless veterans and another \$188,000,000 (an increase of \$12,300,000 over fiscal year 2004) in specialized homeless programs in fiscal year 2005. The Committee fully supports these expenditures and remains strongly committed to ending homelessness among veterans. The Committee directs the VA to provide a detailed plan on ending homelessness, including its efforts in coordinating with other Federal agencies through the U.S. Interagency Council on Homelessness. This plan should be submitted to the Committee by no later than April 25, 2005.

The Committee urges the Department to continue its support for the Brother Francis Shelter, which supports homeless veterans in Anchorage, Alaska.

*DOD-VA Health Care Sharing.*—The bill includes requested language for the DOD-VA Health Care Sharing Incentive Fund, as authorized by section 721 of the fiscal year 2003 National Defense Authorization Act (Public Law 107-314) to transfer a minimum of \$15,000,000, to remain available until expended for any purpose authorized by 38 U.S.C. 8111. The Department of Defense and VA are required to establish a joint incentives program through the creation of a DOD-VA Health Care Sharing Incentive Fund. The purpose of the program is to identify, provide incentives to, implement, fund, and evaluate creative coordination and sharing initiatives at the facility, intra-regional, and nationwide levels. There is a minimum contribution of \$15,000,000 by each Department each year for 4 years.

*VISN Boundaries.*—The Committee is concerned about the jurisdictional boundary lines for VISN 15 due to access and quality of care concerns for veterans in the Southwest corner of Missouri. Accordingly, the Committee directs the VA to study and review the feasibility of redrawing the jurisdictional boundary lines for VISN 15 to include Southwest Missouri.

*Rural Veterans Health Care Initiative.*—The Committee supports continuation at the current level of support of the Rural Veterans Health Care Initiative at the White River Junction, VT VAMC.

*Joslin Vision Network [JVN].*—The Committee is aware of the JVN's benefits to the VA's diabetic patients, and encourages the VA to initiate new pilot sites.

*Psychology Post-Doctoral Training Program.*—The Committee is interested in the progress of the VA's Psychology Post-Doctoral Training program and other interdisciplinary training programs, and directs the VA to provide a report by December 7, 2004 on the number and location of training slots for psychologists.

*Prosthetics and Integrative Health Care Initiative.*—The Committee is deeply committed to the care of our newest veterans returning from Iraq and Afghanistan. The VA has already treated over 21,000 returning soldiers, and the numbers will continue to grow. Advances in body armor and improved combat health care are saving lives on the battlefield. But many soldiers are returning with lost limbs and other very severe and lasting injuries. In addition, many returning soldiers also bear less visible, psychological wounds of war. The Committee believes that the VA must provide these veterans with the best of both modern medicine and integrative holistic therapies for rehabilitation, such as those currently being employed at Walter Reed Army Medical Center, including at the Amputee Center.

*Elko, Nevada Veterans.*—The Committee is concerned about the underserved veterans population, now totaling well over 5,000, living in and around Elko, Nevada. Currently, Elko veterans do not have timely access to a VA doctor or clinic and must drive hundreds of miles through often hazardous driving conditions to Salt Lake City or Reno to receive care at a VA Medical Center. Accordingly, the Committee directs the VA to submit a report within 60 days of the enactment of this Act on its plan to serve the rapidly

growing Elko veterans population, including any recommendations to establish a new Community Based Outpatient Clinic.

To that end, the Committee has included \$20,000,000 for a Prosthetics and Integrative Health Care Initiative. This initiative will focus on caring for veterans returning from war with severe, permanent, long-term needs such as loss of limbs or other very severe and lasting injuries. The initiative will also ensure continuity of care for our veterans leaving Walter Reed. The Committee directs VA to report by December 31, 2004, on the status of this initiative.

*Complementary Medicine.*—The Committee strongly supports VA’s plans to establish an advisory committee on complementary medicine, and directs the Department to establish this committee before the end of 2004. The Committee also directs the VA to report by December 31, 2004, on the VA’s efforts to implement the recommendations of the White House Commission on Complementary Medicine.

MEDICAL ADMINISTRATION

(INCLUDING TRANSFERS)

Appropriations, 2004 .....	\$4,970,570,000
Budget estimate, 2005 .....	4,705,000,000
Committee recommendation .....	4,705,000,000

PROGRAM DESCRIPTION

The “Medical administration” account provides funds for the expenses of management, security, and administration of the VA health care system. This appropriation provides for costs associated with operation of VA medical centers, other facilities, and VHA headquarters (formerly funded under the Medical Administration and Miscellaneous Operating Expenses account), plus the costs of VISN offices and facility director offices, Chief of Staff operations, quality of care oversight, all information technology hardware and software, legal services, billing and coding activities, and procurement.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request level of \$4,705,000,000 for medical administration in fiscal year 2005. This amount is \$265,500,000 below the fiscal year 2004 enacted level.

The Committee has included bill language to allow the Secretary to transfer funds between the medical services appropriation, medical administration appropriation, and medical facilities appropriation with a limitation on transfers up to 20 percent as necessary after notifying the Committees on Appropriations.

The Committee has included bill language to make available through September 30, 2006, up to \$250,000,000 of the medical administration appropriation. This provides flexibility to the Department as it continues to implement significant program changes.

MEDICAL FACILITIES  
(INCLUDING TRANSFERS)

Appropriations, 2004 .....	\$3,976,456,000
Budget estimate, 2005 .....	3,745,000,000
Committee recommendation .....	3,745,000,000

PROGRAM DESCRIPTION

The “Medical facilities” account provides funds for the operation, maintenance of the VA health care system’s vast capital infrastructure. This appropriation provides for costs associated with utilities, engineering, capital planning, leases, laundry and food services, grounds keeping, garbage, housekeeping, facility repair, and property disposition and acquisition.

COMMITTEE RECOMMENDATION

The Committee recommendation provides the budget request level of \$3,745,000,000 for medical facilities in fiscal year 2005. This amount is \$231,400,000 below the fiscal year 2004 enacted level.

The Committee is interested in the impact of the CARES program on medical facilities funding for each VISN and medical facility. Specifically, the Committee encourages the VA to collect information, on a per VISN basis, on the amount of funds spent on underutilized or empty facilities and to develop a long-range plan to reduce or eliminate medical facilities expenditures on these facilities.

The Committee has included bill language to allow the Secretary to transfer funds between the medical services appropriation, medical administration appropriation, and medical facilities appropriation with a limitation on transfers up to 20 percent as necessary after notifying the Committees on Appropriations.

The Committee has included bill language to make available through September 30, 2006, up to \$250,000,000 of the medical facilities appropriation. This provides flexibility to the Department as it continues to implement significant program changes.

MEDICAL AND PROSTHETIC RESEARCH

Appropriations, 2004 .....	\$405,592,800
Budget estimate, 2005 .....	384,770,000
Committee recommendation .....	405,592,800

PROGRAM DESCRIPTION

The “Medical and prosthetic research” account provides funds for medical, rehabilitative, and health services research. Medical research supports basic and clinical studies that advance knowledge leading to improvements in the prevention, diagnosis, and treatment of diseases and disabilities. Rehabilitation research focuses on rehabilitation engineering problems in the fields of prosthetics, orthotics, adaptive equipment for vehicles, sensory aids and related areas. Health services research focuses on improving the effectiveness and economy of delivery of health services.

COMMITTEE RECOMMENDATION

The Committee recommends \$405,592,800 for medical and prosthetic research, which is \$20,822,800 above the budget request and equal to the fiscal year 2004 enacted level. The Committee remains highly supportive of this program, and recognizes its importance both in improving health care services to veterans and recruiting and retaining high-quality medical professionals in the Veterans Health Administration.

*Human Identical Cytochromes.*—The Committee is encouraged by the potential results from research by the Nashville VA Medical Center and Vanderbilt University Medical Center on human identical cytochromes. Research in this field will improve methods for the synthesis and characterization of drug metabolites prior to initiating human testing. Unfortunately, the Department has not yet taken steps to evaluate human identical cytochrome research. The Committee strongly urges the Department to continue evaluating this promising research.

*Prosthetics Research.*—Again, the Committee stresses the importance of caring for veterans returning from the battlefield. Prosthetics research, including the development of high-tech, “smart limb” technology can restore quality of life and functional independence for veterans who have lost limbs. But the Committee is deeply concerned that VA has lost its focus on prosthetics development. The Committee therefore directs the VA to prioritize prosthetics in its research agenda, and to report to the Committee by December 31, 2004, on how VA will make prosthetics research a priority for our returning soldiers. The Committee also strongly encourages VA to collaborate with the Department of Defense, which also conducts a research program into improved prosthetic care, limb development, and rehabilitation.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

Appropriations, 2004 .....	\$1,275,700,695
Budget estimate, 2005 .....	1,324,753,000
Committee recommendation .....	1,399,753,000

PROGRAM DESCRIPTION

This appropriation provides for the administration of nonmedical veterans benefits through the Veterans Benefits Administration [VBA], the executive direction of the Department, several top level supporting offices, of the Board of Contract Appeals, and the Board of Veterans’ Appeals.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,399,753,000 for general operating expenses, an increase of \$75,000,000 above the budget request and \$124,052,305 above the fiscal year 2004 enacted level. The amount provided includes \$1,102,193,000 for the Veterans Benefits Administration and \$297,560,000 for general administration. In addition to this appropriation, resources are made available for general operating expenses through reimbursements totaling \$613,050,000 for

fiscal year 2005, with total estimated obligations of approximately \$2,012,803,000.

The Committee has provided additional funds to VBA to prevent any reductions in staffing in processing disability benefit claims. The additional funds will allow the VA to continue its progress in bringing the claims backlog under control and to prevent reductions in the vocational rehabilitation and employment office. The Department has made substantial progress in reducing the claims backlog; however, this progress is threatened by the increased workload in claims that has jumped by well over 20,000 per month. Some of these additional claims are due to the increased number of veterans returning from the Iraqi conflict.

The Committee recommends making available \$66,000,000 of the GOE appropriation for 2 years, and the current level of \$25,000 for official reception and representation expenses.

NATIONAL CEMETERY ADMINISTRATION

Appropriations, 2004 .....	\$143,352,202
Budget estimate, 2005 .....	148,925,000
Committee recommendation .....	148,925,000

PROGRAM DESCRIPTION

The National Cemetery Administration was established in accordance with the National Cemeteries Act of 1973. It has a four-fold mission: to provide for the interment in any national cemetery of the remains of eligible deceased servicepersons and discharged veterans, together with their spouses and certain dependents, and permanently to maintain their graves; to mark graves of eligible persons in national and private cemeteries; to administer the grant program for aid to States in establishing, expanding, or improving State veterans' cemeteries; and to administer the Presidential Memorial Certificate Program.

There are a total of 158 cemeterial installations in 39 States, the District of Columbia, and Puerto Rico. The Committee's recommendation for the National Cemetery Administration provides funds for all of these cemeterial installations.

Language to clarify the treatment of 2-year funding was added to permit treating the operating dollars as one fund during the first year of availability.

COMMITTEE RECOMMENDATION

The Committee recommends \$148,925,000 for the National Cemetery Administration. This is an increase of \$5,572,798 over the fiscal year 2004 enacted level and the same as the budget request.

OFFICE OF THE INSPECTOR GENERAL

Appropriations, 2004 .....	\$61,634,200
Budget estimate, 2005 .....	64,711,000
Committee recommendation .....	64,711,000

PROGRAM DESCRIPTION

The Office of Inspector General was established by the Inspector General Act of 1978 and is responsible for the audit and investiga-

tion and inspections of all Department of Veterans Affairs programs and operations.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$64,711,000 for the Inspector General. This is an increase of \$3,076,800 above the fiscal year 2004 enacted level and the same as the budget request.

#### CONSTRUCTION, MAJOR PROJECTS

Appropriations, 2004 .....	\$271,578,179
Budget estimate, 2005 .....	458,800,000
Committee recommendation .....	458,800,000

#### PROGRAM DESCRIPTION

The construction, major projects appropriation provides for constructing, altering, extending, and improving any of the facilities (including parking projects) under the jurisdiction or for the use of VA, including planning, architectural and engineering services, Capital Asset Realignment Enhanced Services [CARES] activities, assessment, and site acquisition where the estimated cost of a project is more than the amount set forth in 38 U.S.C. 8104(a)(3)(A). Proceeds realized from Enhanced Use Lease activities may also be transferred from the Medical Care Collections Fund and merged with the major construction account.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$458,800,000 for construction, major projects, \$187,221,821 above the fiscal year 2004 enacted level and the same level as the budget request.

The following table compares the Committee recommendation with the budget request.

(In thousands of dollars)

Location and description	Available through 2004	2005 request	Committee recommendation
Veterans Health Administration [VHA]:			
Tampa, FL, SCI expansion .....		7,100	7,100
Pensacola, FL, Joint VA and Navy OPC .....		55,500	55,500
Temple, TX, Blind rehabilitation and psychiatric beds .....		56,000	56,000
San Juan, PR, Seismic corrections, design .....		15,000	15,000
Syracuse, NY, SCI addition .....		53,900	53,900
Atlanta, GA, Wards modernization .....		20,700	20,700
Menlo Park, CA, Seismic corrections .....		33,239	33,239
San Francisco, CA, Seismic corrections .....		41,500	41,500
Los Angeles, CA, Seismic corrections, design .....		8,000	8,000
Lee County, FL, Outpatient clinic, land purchase .....		6,510	6,510
Des Moines, IA, Extended care building .....		25,000	25,000
San Diego, CA, Seismic corrections .....		48,260	48,260
Subtotal, CARES .....		370,709	370,709
Advance planning fund: Various stations .....		14,000	14,000
Asbestos abatement: Various stations .....		3,000	3,000
Claims Analyses: Various locations .....		1,000	1,000
Judgment Fund: Various locations .....		8,091	8,091
Hazardous Waste: Various locations .....		2,000	2,000
Emergency Response Security Study .....		2,000	2,000

[In thousands of dollars]

Location and description	Available through 2004	2005 request	Committee recommendation
Subtotal, Other line-items .....		30,091	30,091
Total VHA construction, major projects .....		400,800	400,800
Veterans Benefits Administration (VBA)			
National Cemetery Administration (NCA): <sup>1</sup>			
Sacramento, CA Phase I Development .....		21,600	21,600
Florida Gravesite Expansion and Cemetery Improvements .....		20,000	20,000
Rock Island, IL Gravesite Expansion and Cemetery Improvements .....		10,200	10,200
Subtotal, Construction .....		51,800	51,800
Design Fund: Various locations .....		3,200	3,200
Advance planning fund: Various locations .....		1,000	1,000
Subtotal, Other line-items .....		4,200	4,200
Total NCA construction, major projects .....		56,000	56,000
Staff Offices: Various locations .....		2,000	2,000
Total construction, major projects .....		458,800	458,800

<sup>1</sup> National Cemetery Administration major project requests do not include the purchase of pre-placed crypts, which are funded by the Compensation and Pensions appropriation.

**CARES.**—The Committee recommends \$370,709,000 for major construction projects approved through the Capital Asset Realignment for Enhanced Services [CARES] program. The Committee's recommendation funds the Secretary's list of prioritized projects for fiscal year 2005 as identified in the May 20, 2004 report entitled "CARES Major Construction Projects Fiscal Year 2004–2010." The Committee also approves the funding of the fiscal year 2004 major construction projects approved under CARES, totaling \$558,360,000 also listed in the May 20, 2004 report. The Committee applauds the VA for completing its national CARES plan as detailed in its CARES Decision report, which was released on May 7, 2004, and remains strongly committed to funding the Secretary's May 7, 2004, recommendations. The Committee believes that CARES is the most important effort ever undertaken by the VA in improving access for current and future veterans. With the funding provided in this bill and the fiscal year 2004 enacted bill, the VA will have over \$1,000,000,000 to begin implementation of the national CARES plan.

To keep the Committee informed of the VA's progress in implementing the Secretary's CARES Decision recommendations, the Committee directs the VA to update its 5-year strategic plan for capital asset management. This plan should include the costs associated with its capital investments, including projects related to major construction, minor construction, research facilities, and safety and seismic improvements. Further, the Committee directs the VA to review the financial status of all existing major construction projects and the major working reserve account and provide information on any unobligated and unexpended funds that may be recaptured and spent on other CARES projects. These reports

should be submitted to the Committee by no later than May 26, 2005.

One of the primary drivers of CARES was the need to ensure that the decisions and process was as objective as possible. Now that the Secretary has announced a national plan to implement CARES, the Committee strongly believes that the implementation process is objective and not vulnerable to subjective changes. To ensure that the implementation of the Secretary's CARES decisions is objective, the Committee strongly urges the VA to establish an independent body to advise and monitor progress of CARES. The Committee directs the VA to submit a plan on the creation of an independent advisory body by March 10, 2005.

The Committee recognizes that the CARES process will partially depend on contracting with local providers to deliver health care services. In announcing its CARES decisions, the VA did not provide information on the budgetary implications of its decisions to expand contract care. Accordingly, the Committee directs the VA to develop a business plan that details the services to be contracted, the location of these new services, the amount of resources needed, a timetable on when the resources will be needed, and the source of funding these new resources (e.g., new appropriations or re-allocation of existing resources). This plan should be submitted by February 28, 2005.

Lastly, the Committee urges the VA to develop a plan for disposing of its vast inventory of vacant and unneeded infrastructure. VA identified vacant space totaling some 8.5 million square feet, involving hundreds of buildings at more than 150 health care delivery locations nationwide. The Committee directs the VA to develop a business plan that details their disposition strategy and budgetary impacts. This plan should be submitted by May 20, 2005.

*Beckley, WV Nursing Home.*—The Committee urges the VA to include sufficient funding in its fiscal year 2006 budget request for construction of a 120-bed nursing home care unit at the Beckley, WV VAMC, as long as it is consistent with the CARES priority list as described in the VA's May 20, 2004, CARES Major Construction Projects fiscal year 2004–2010 report.

*NCA.*—For the National Cemetery Administration's [NCA] construction program, the Committee recommends the requested amounts for the development of the Sacramento, California National Cemetery, and expansion and improvements for Bushnell, Florida, and Rock Island, Illinois, National Cemeteries. The Committee also recommends design funding for the Riverside, California, and San Joaquin Valley, California, National Cemeteries, and for an annex to Fort Rosecrans, California, National Cemetery at Miramar Marine Corps Air Station. The Committee also recommends advance planning funds for the site selection process for six new national cemeteries in areas directed by the National Cemetery Expansion Act of 2003 (Public Law 108–109).

CONSTRUCTION, MINOR PROJECTS

Appropriations, 2004 .....	\$250,656,350
Budget estimate, 2005 .....	230,779,000
Committee recommendation .....	230,779,000

PROGRAM DESCRIPTION

The construction, minor projects appropriation provides for constructing, altering, extending, and improving any of the facilities (including parking) under the jurisdiction or for the use of VA, including planning, CARES activities, assessment of needs, architectural and engineering services, and site acquisition, where the estimated cost of a project is equal to or less than the amount set forth in 38 U.S.C. 8104(a)(3)(4). Public Law 106–117, the Veterans Millennium Health Care and Benefits Act of 1999, gave VA the authority to make capital contributions from minor construction in enhanced-use leases. Proceeds realized from Enhanced Use Lease activities may also be transferred from the Medical Care Collections Fund and merged with the minor construction account.

COMMITTEE RECOMMENDATION

The Committee recommends \$230,779,000 for minor construction, the same as the budget request and \$19,877,350 below the fiscal year 2004 enacted level. The Committee’s recommendation includes \$182,100,000 for VHA; \$25,000,000 for NCA; \$19,000,000 for VBA; and \$4,700,000 for staff.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

Appropriations, 2004 .....	\$101,497,610
Budget estimate, 2005 .....	105,163,000
Committee recommendation .....	105,163,000

PROGRAM DESCRIPTION

This account is used to provide grants to assist States in acquiring or constructing State home facilities for furnishing domiciliary or nursing home care to veterans, and to expand, remodel or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans in State homes. The grant may not exceed 65 percent of the total cost of the project, and grants to any one State may not exceed one-third of the amount appropriated in any fiscal year. Public Law 102–585 granted permanent authority for this program and Public Law 106–117 provided greater specificity in directing VA to prescribe regulations for the number of beds for which grant assistance may be furnished.

COMMITTEE RECOMMENDATION

The Committee recommends \$105,163,000 for grants for the construction of State extended care facilities, equal to the budget request and \$3,665,390 above the fiscal year 2004 enacted level. This program cost-effectively meets long-term health care needs of veterans.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS’ CEMETERIES

Appropriations, 2004 .....	\$31,811,200
Budget estimate, 2005 .....	32,000,000
Committee recommendation .....	32,000,000

## PROGRAM DESCRIPTION

Public Law 105–368, amended title 38 U.S.C. 2408, which established authority to provide aid to States for establishment, expansion, and improvement of State veterans’ cemeteries which are operated and permanently maintained by the States. This amendment increased the maximum Federal Share from 50 percent to 100 percent in order to fund construction costs and the initial equipment expenses when the cemetery is established. The States remain responsible for providing the land and for paying all costs related to the operation and maintenance of the State cemeteries, including the costs for subsequent equipment purchases.

## COMMITTEE RECOMMENDATION

The Committee recommends \$32,000,000 for grants for construction of State veterans’ cemeteries in fiscal year 2005, \$188,800 above the fiscal year 2004 enacted level and the same as the budget request.

## ADMINISTRATIVE PROVISIONS

The Committee has included 18 administrative provisions (Sections 101–113, 115, 116, and 118–120) carried in earlier bills and four new administrative provisions. Among these are:

Section 107 enables VA to use surplus earnings from the National service life insurance, U.S. Government life insurance, and veterans special life insurance program to administer these programs. This provision was included for the first time in fiscal year 1996 appropriations legislation. The Department estimates that \$40,215,000 will be reimbursed to the “General operating expenses” account as a result of this provision.

Section 108 extends the VA’s Franchise Fund pilot program.

Section 109 enables the VA to reimburse accounts from enhanced use lease proceeds.

Section 110 allows for fiscal year 2005 only the reimbursement of the Office of Resolution Management [ORM] and the Office of Employment Discrimination Complaint Adjudication [OEDCA] for services provided, from funds in any appropriation for salaries and other administrative expenses.

Section 112 limits funds for medical treatment of non-service connected veterans to those who have provided accurate insurance annual income information. This provision allows the Secretary to manage effectively the billing and collection process to third party insurers by ensuring that the VA receives timely and accurate identification of private medical insurance information. Further, the Secretary may recover, in the same manner as any other debt due the United States, the reasonable charges for such care or services from any person who does not make such disclosure as required. Any amounts so recovered for care or services provided in a prior fiscal year may be obligated by the Secretary during the fiscal year in which amounts are received.

The four new administrative provisions are as follows:

Section 114 revises a provision carried in previous bills to provide the Secretary with permanent authority in depositing receipts from various funds into the Medical Care Collections Fund.

Section 117 allows the transfer of funds from “General operating expenses” to the housing program account for purposes of a national property management contract.

Section 121 provides access to unobligated balances of funds provided in the Emergency Supplemental Appropriations Act of 1994.

Section 122 makes a technical correction to a provision from Public Law 108–199.

Section 123 allows veterans in Alaska to obtain medical care services from Indian Health Services, under certain conditions.

TITLE II—DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT

Appropriations, 2004 .....	\$35,402,259,000
Budget estimate, 2005 .....	35,719,359,000
Committee recommendation .....	36,417,763,000

PROGRAM DESCRIPTION

The Department of Housing and Urban Development [HUD] was established by the Housing and Urban Development Act (Public Law 89–174), effective November 9, 1965. This Department is the principal Federal agency responsible for programs concerned with the Nation’s housing needs, fair housing opportunities, and improving and developing the Nation’s communities.

In carrying out the mission of serving the needs and interests of the Nation’s communities and of the people who live and work in them, HUD administers mortgage and loan insurance programs that help families become homeowners and facilitate the construction of rental housing; rental and homeownership subsidy programs for low-income families who otherwise could not afford decent housing; programs to combat discrimination in housing and affirmatively further fair housing opportunity; programs aimed at ensuring an adequate supply of mortgage credit; and programs that aid neighborhood rehabilitation, community development, and the preservation of our urban centers from blight and decay.

HUD administers programs to protect the homebuyer in the marketplace and fosters programs and research that stimulate and guide the housing industry to provide not only housing, but better communities and living environments.

COMMITTEE RECOMMENDATION

The Committee recommends for fiscal year 2005 an appropriation of \$36,927,413,000 for the Department of Housing and Urban Development. This is \$1,015,504,000 above the fiscal year 2004 enacted level and \$698,404,000 above the budget request.

HOUSING CERTIFICATE FUND

(INCLUDING RESCISSION AND TRANSFERS OF FUNDS)

Appropriations, 2004 .....	\$19,257,190,000
Budget estimate, 2005 .....	18,465,060,000
Committee recommendation .....	20,707,804,000

(None of these totals include rescissions which are part of this account for each fiscal year. Each include an advance appropriation of some \$4,200,000.)

PROGRAM DESCRIPTION

This account provides funding mainly for the section 8 programs, including tenant-based and project-based rental assistance. Section

8 assistance is the principle appropriation for Federal housing assistance and provides rental housing assistance to over 3 million families. The account provides funding for the renewal of the existing Section 8 contracts covering Vouchers, Moderate Rehabilitation, Loan Management, Property Disposition, New Construction/Substantial Rehabilitation, and Preservation contracts. Further, it funds incremental vouchers to assist non-elderly disabled families, to provide vouchers for tenants that live in projects where the owner of the project has decided to leave the section 8 program, or for replacement of units lost from the assisted housing inventory (Tenant Protection vouchers), etc. Under these programs, eligible low-income families pay 30 percent of their adjusted income for rent, and the Federal Government is responsible for the remainder of the rent, up to the fair market rent or some other payment standard. This account also provides funding for the Contract Administrator program and Family Self-Sufficiency [FSS]. The contract administrators are responsible for the oversight and administration of section 8 project-based contracts such as Loan Management, Property Disposition, Preservation, and New Construction/Substantial Rehabilitation. Under FSS, families receive job training and employment that should lead to a decrease in their dependency on welfare programs and move towards economic self-sufficiency.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$20,707,804,000 for fiscal year 2005, including \$4,200,000,000 as an advance appropriation to be made available on October 1, 2004. In addition, this account includes \$2,588,172,000 in funds that are rescinded from unobligated balances remaining from funds appropriated for this account in previous fiscal years.

Of these overall amounts, the Committee has allocated \$19,034,000,000 for the renewal of all expiring section 8 contracts; \$100,000,000 for a central fund to be allocated by HUD in support of section 8 contracts up to the authorized section 8 contract level for all public housing agencies; \$163,000,000 for section 8 preservation contracts; \$48,000,000 for family self-sufficiency contracts under section 23 of the 1937 Act; \$1,256,000,000 for section 8 administrative costs; \$101,900,000 for section 8 project-based administration costs; and \$4,904,000 for the working capital fund. Finally, the Committee includes a rescission of \$2,588,172,000 from unobligated funds under the section 8 tenant-based program from previous fiscal years in support of section 8 needs in fiscal year 2004.

The Committee is very concerned over HUD's failure to adequately implement the fiscal year 2004 funding mechanism for section 8 vouchers. Because both HUD and PHAs waited until more than 6 months in the fiscal year to address the rent requirements in the fiscal year 2004 conference report, many low-income families were put at risk of losing vouchers and housing through no fault of their own. The Committee expects HUD to develop timely guidance at the beginning of the fiscal year.

Similar to last year, PHAs would receive funding from HUD for all section 8 contracts that are currently in use and HUD would

maintain a central fund to provide additional section 8 funds for PHAs that can fund additional section 8 voucher units up to the authorized contract level. In many cases, PHAs would use their reserves to meet the immediate housing needs of families that can use vouchers to obtain housing up to the PHA's authorized contract level. Once a PHA has exceeded the use of 50 percent of its reserve, HUD would be required to reimburse the PHA for these funds.

Nevertheless, the Committee is very concerned that the section 8 program is growing at a cost that is undermining its financial stability as well as undermining the amount of funds that are available for other programs within this bill. The Committee believes that program administration is flawed and more costly than it should be—in particular, the Committee directs the Department to review the mechanisms used for determining section 8 rents and the accountability requirements that ensure that these rents are reasonable and are no greater than the cost of comparable, unsubsidized units in the same market area.

The Committee believes that a budget-based program may be a viable solution to control costs, although the Committee is concerned about the ability of the current data collection system to determine the appropriate level of funding for individual section 8 programs to meet the housing needs of the neediest families. In particular, the Committee believes that the requirement that three-quarters of all vouchers go to extremely low-income families—those at or below 30 percent of median income—is a critical requirement that is the foundation of the bridge that allows households to move from homelessness to homeownership.

Because of these concerns over the cost of section 8 rents, the Committee has capped the cost of vouchers for PHAs based on the cost of vouchers in use as of October 1, 2004 with rent adjustments based on an annual adjustment factor determined by HUD which can be appealed by a landlord based on the cost of comparable, unsubsidized units in the same census tract or a larger market area if appropriate. All rents would still be subject to a rent reasonableness test. Finally, PHAs could still award additional vouchers up to their authorized level, assuming the overall cost to the PHA does not exceed 102 percent of the cost of vouchers in use as of October 1, 2004, including any rent adjustments, costs associated with reduced tenant contributions, and utility payments. The Committee notes that any recaptures or unobligated funds may be used to augment any costs associated with this account in fiscal year 2005.

Finally, the Committee does not agree with the administration's belief that the section 8 program is so flawed that it cannot be corrected without a conversion of the program into a block grant to the States or to public housing agencies. Without a commitment of adequate funding, the block grant approach will result in a shrinking commitment to housing resources for those with the greatest needs. In particular, the administration's budget proposes section 8 funding at some \$790,000,000 less than the fiscal year 2004 level which means, according to CBO estimates, that the section 8 program would be funded at some \$2,200,000,000 less than needed to maintain the current level of anticipated service in fiscal year 2005.

The administration's block grant proposal asserts that PHAs will have the needed flexibility to meet local needs and conditions and

to respond to local rental costs in a more responsible manner. However, the proposal fails for the following reasons: (1) the proposed funding is inadequate to support current section 8 utilization; (2) the proposal would eliminate the current section 8 requirement that three-quarter of all vouchers go to extremely low-income families who are often the elderly and disabled. This could result in these families and households having to live in substandard housing at unsustainable rents or else become homeless which would be a greater burden and cost on the social safety net than the current use of vouchers; and (3) PHAs would set the maximum payment standard for subsidies that would likely have to require higher rent burdens on families or lower rent levels which could result in a policy of reconcentrating the poorest families in the poorest and most distressed neighborhoods.

The Committee believes that a section 8 block grant proposal could work if the program receives adequate funding and required, as with current policy, PHAs to provide at least three-quarters of all vouchers to extremely low-income families. Nevertheless, this is a very controversial housing policy recommendation that deserves the full attention of the House and Senate Banking Committees as well as the Appropriations Committees.

Also, the Committee expects PHAs that have entered into contracts for units in excess of their authorized contract level for vouchers to meet their authorized voucher level no later than 60 days after the start of the fiscal year. A PHA also is not to award any additional vouchers (including turnover vouchers) until the PHA is within its authorized contract level.

While the Committee supports and understands the need for PHAs to allocate to tenants more vouchers than are permissible under their authorized contract levels, the Committee is very concerned over intentional or negligent abuses of this discretion. In particular, the Committee directs the Department to make quarterly reports on PHA utilization rates and to identify PHAs that have exceeded their authorized contract levels by more than 5 percent.

The Committee understands that project-based Section 8 oversight and management have been contracted outside of the Department, and that it is not clear that doing so saves money or improves resident services. The Committee urges the Department to reconsider the decision to contract out Section 8 contract administration, and to conduct an appropriate benefit-cost analysis to determine whether the practice should be continued.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2004 .....	\$2,696,291,000
Budget estimate, 2005 .....	2,674,100,000
Committee recommendation .....	2,700,000,000

PROGRAM DESCRIPTION

This account provides funding for modernization and capital needs of public housing authorities (except Indian housing authori-

ties), including management improvements, resident relocation and homeownership activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,700,000,000 for the public housing capital fund, which is \$25,900,000 above the budget request and \$3,747,000 above the fiscal year 2004 enacted level.

Of the amount made available under this section, up to \$55,000,000 is for supportive services for residents of public housing, and \$15,000,000 is for the Neighborhood Networks Initiative in public housing. Funds for the Neighborhood Networks Initiative are provided to establish and operate computer centers in and around public housing. These funds are intended to allow residents of public housing develop the technology skills that are increasingly important in the 21st century workplace.

The Committee directs HUD to work with the Department of Commerce's Technology Opportunities Program, the Department of Education's Community Technology Centers program and other Federal agencies to compile best practices from community-based organizations that are working to ensure equitable access to technology and to disseminate these best practices to other community-based organizations engaged in, or interested in, bridging the digital divide.

HUD is prohibited from using any funds under this account as an emergency reserve under section 9(k) of the United States Housing Act of 1937, but is provided up to \$50,000,000 for emergency capital needs including \$15,000,000 for troubled PHAs and for surveys used to calculate local Fair Market Rents and assess housing conditions with regard to the use of section 8 assistance.

The bill includes up to \$30,000,000 for the demolition, relocation, and site remediation for obsolete and distressed public housing units.

PUBLIC HOUSING OPERATING FUND

Appropriations, 2004 .....	\$3,578,810,000
Budget estimate, 2005 .....	3,573,000,000
Committee recommendation .....	2,610,000,000

PROGRAM DESCRIPTION

This account provides funding for the payment of operating subsidies to some 3,050 public housing authorities (except Indian housing authorities) with a total of over 1.2 million units under management in order to augment rent payments by residents in order to provide sufficient revenues to meet reasonable operating costs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,610,000,000 for the public housing operating fund, which is \$968,760,000 below the fiscal year 2004 level and \$963,000,000 below the budget request.

The Committee has included language that requires all public housing agencies [PHAs] to convert to a calendar year budget for all costs associated with PHA operating funding. This transition

will result in a savings of \$1,000,000,000 for fiscal year 2005 since PHAs will only receive the funding necessary to meet the costs of operations through calendar year 2005. This is a 1-year savings for fiscal year 2005 only. This requirement should ease HUD's management of PHAs and allow easier tracking of costs. In addition, the Committee has included \$30,000,000 to assist PHAs in making this transition to calendar year budgeting, including the costs associated with implementing appropriate information technology systems for tracking operating costs. The Committee expects the administration to include in the budget request for fiscal year 2006 the necessary funds for all PHA operating costs, as required under the performance funding system or any subsequent funding system which is in place at the time of the budget submission.

The Committee has included \$15,000,000, as recommended by the administration, for bonuses to PHAs that help move families away from depending on housing assistance. The Committee expects the Department to issue regulations that provide clear criteria for eligibility for these bonuses.

HUD is prohibited from using any funds under this account as an emergency reserve under section 9(k) of the United States Housing Act of 1937. The bill includes language from the fiscal year 2004 appropriations bill that prohibits the use of operating funds to pay for the operating expenses for a prior fiscal year.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING [HOPE VI]

Appropriations, 2004 .....	\$149,117,000
Budget estimate, 2005 .....	
Committee recommendation .....	150,000,000

PROGRAM DESCRIPTION

The "Revitalization of severely distressed public housing" account makes awards to public housing authorities on a competitive basis to demolish obsolete or failed developments or to revitalize, where appropriate, sites upon which these developments exist. This is a focused effort to eliminate public housing which was, in many cases, poorly located, ill-designed, and not well constructed. Such unsuitable housing has been very expensive to operate, and difficult to manage effectively due to multiple deficiencies.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$150,000,000 for the "HOPE VI" account, \$150,000,000 above the budget request and approximately the same as the fiscal year 2004 level. The Committee urges the Department to reconsider the elimination of the HOPE VI program, especially since the program was reauthorized through 2006. This program has resulted in the funding of innovative projects that work both as public and mixed-income housing as well as building blocks for revitalizing neighborhoods.

This is an important program that has revitalized many distressed properties as well as being the anchor for the revitalization of many communities in which these properties are located. As noted, and in light of the recent finding by the Urban Institute that there are between 46,900 and 81,900 units of severely distressed public housing units still existing, the Committee is disappointed

that the administration has eliminated HOPE VI without a complete review and without providing adequate alternative authority and funding to address the needs of the remaining PHAs with obsolete units and those with substantial rehabilitation needs.

NATIVE AMERICAN HOUSING BLOCK GRANT  
(INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2004 .....	\$650,241,000
Budget estimate, 2005 .....	647,000,000
Committee recommendation .....	650,241,000

PROGRAM DESCRIPTION

This account funds the native American housing block grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 [NAHASDA]. This program provides an allocation of funds on a formula basis to Indian tribes and their tribally designated housing entities to help them address the housing needs within their communities. Under this block grant, Indian tribes will use performance measures and benchmarks that are consistent with the national goals of the program, but can base these measures on the needs and priorities established in their own Indian housing plan.

COMMITTEE RECOMMENDATION

The Committee recommends \$650,241,000 for the Native American Housing Block Grant, of which \$2,000,000 is set aside for a credit subsidy for the section 601 Loan Guarantee Program. The Committee recommendation is \$3,241,000 above the budget request and the same as the fiscal year 2004 enacted level.

The Committee continues to believe that training and technical assistance in support of NAHASDA should be shared, with \$2,200,000 to be administered by the National American Indian Housing Council [NAIHC] and \$4,500,000 by HUD in support of the inspection of Indian housing units, contract expertise, training and technical assistance in the training, oversight, and management of Indian housing and tenant-based assistance.

As discussed last year, the Committee notes that there is not a requirement that qualified Indian and Alaska Native owned construction companies be given priority consideration in construction of Indian housing. In many Indian and Native communities, the unemployment rate exceeds 80 percent, and housing contracts would provide much needed employment and training opportunities for Native Americans living on reservations and in Alaska Native villages. As with last year, the Committee directs the agency and its grantees to give priority consideration to qualified Native owned firms in the design and construction of Indian housing. The Committee also directs HUD to report on the use of Native owned firms under this account by April 15, 2005.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2004 .....	\$5,269,000
Budget estimate, 2005 .....	1,000,000
Committee recommendation .....	1,000,000

PROGRAM DESCRIPTION

This program provides access to private financing for Indian families, Indian tribes and their tribally designated housing entities who otherwise could not acquire housing financing because of the unique status of Indian trust land. As required by the Federal Credit Reform Act of 1990, this account includes the subsidy costs associated with the loan guarantees authorized under this program.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,000,000 in program subsidies to support a loan guarantee level of \$29,069,767. This is \$4,269,000 less than the fiscal year 2004 enacted level and the same as the budget request.

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND  
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2004 .....	\$1,029,000
Budget estimate, 2005 .....	1,000,000
Committee recommendation .....	1,000,000

PROGRAM DESCRIPTION

This program provides access to private financing for Native Hawaiians who otherwise could not acquire housing financing because of the unique status of the Hawaiian Home Lands as trust land. As required by the Federal Credit Reform Act of 1990, this account includes the subsidy costs associated with the loan guarantees authorized under this program.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$1,000,000 in program subsidies to support a loan guarantee level of \$37,403,101. This is \$4,269,000 less than the fiscal year 2004 enacted level and the same as the budget request.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS [HOPWA]

Appropriations, 2004 .....	\$294,755,000
Budget estimate, 2005 .....	294,800,000
Committee recommendation .....	294,800,000

PROGRAM DESCRIPTION

The Housing Opportunities for Persons with AIDS [HOPWA] Program is designed to provide States and localities with resources and incentives to devise long-term comprehensive strategies for

meeting the housing needs of persons living with HIV/AIDS and their families.

Statutorily, 90 percent of appropriated funds are distributed by formula to qualifying States and metropolitan areas on the basis of the number and incidence of AIDS cases reported to Centers for Disease Control and Prevention by March 31 of the year preceding the appropriation year. The remaining 10 percent of funds are distributed through a national competition.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$294,800,000 for this program, which is \$45,000 above the fiscal year 2004 enacted level and the same as the budget request.

The Committee also requires HUD to allocate these funds in a manner that preserves existing HOPWA programs to the extent those programs are determined to be meeting the needs of persons with AIDS. The Committee includes legislation that allocates the formula funding in a manner consistent with fiscal year 2004 allocations.

These funds will support some 73,700 housing units for persons with HIV/AIDS and their families.

OFFICE OF RURAL HOUSING AND ECONOMIC DEVELOPMENT

Appropriations, 2004 .....	\$24,853,000
Budget estimate, 2005 .....	
Committee recommendation .....	25,000,000

PROGRAM DESCRIPTION

The Office of Rural Housing and Economic Development was established to ensure that the Department has a comprehensive approach to rural housing and rural economic development issues. The account includes funding for technical assistance and capacity building in rural, underserved areas, and grants for Indian tribes, State housing finance agencies, State economic development agencies, rural nonprofits and rural community development corporations to pursue strategies designed to meet rural housing and economic development needs.

COMMITTEE RECOMMENDATION

The Committee recommends \$25,000,000 for the Office of Rural Housing and Economic Development for fiscal year 2005 to support housing and economic development in rural communities as defined by USDA and HUD. This funding level is \$147,000 above the fiscal year 2004 level and \$25,000,000 above the budget request.

The Committee does not accept the administration's recommendation to eliminate funding for this program. The Committee believes that the Office of Rural Housing and Economic Development plays an important role in HUD's community development activities. Twenty-five percent of nonmetropolitan homes are renter-occupied, and the high cost of housing burdens those in rural areas, as it does in urban communities. Furthermore, the Committee notes that the programs of the Office of Rural Housing and Economic Development are sufficiently different from the hous-

ing programs administered by the Department of Agriculture to warrant separate appropriations.

HUD is directed to administer this program according to existing regulatory requirements. It is expected that any changes to the program shall be made subject to notice and comment rulemaking.

EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES

Appropriations, 2004 .....	\$14,912,000
Budget estimate, 2005 .....	
Committee recommendation .....	

PROGRAM DESCRIPTION

The Empowerment Zones/Enterprise Communities [EZ/EC] program was authorized under the Omnibus Budget Reconciliation Act of 1993. The Taxpayer Relief Act of 1997 later authorized two additional Round I urban EZs and 15 Round II urban EZs. This inter-agency initiative is designed to create self-sustaining, long-term development in distressed urban and rural areas throughout the Nation. The program utilizes a combination of Federal tax incentives and flexible grant funds to reinvigorate communities that have been in decline for decades.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$0 for this program, \$14,912,000 less than the fiscal year 2004 enacted level and the same as the budget request. As with the previous administration. This program was enacted through tax legislation and designed to be funded as a mandatory program. The Committee, therefore, urges the tax committees to revisit the funding needs of this program. Moreover, the Committee remains concerned over accountability in this program and notes that the HUD Inspector General has been critical about how certain communities have implemented this program and used EZ funds.

The Committee is aware that several noncontiguous census tracts have been excluded from Renewal Community designation even in cases where the areas are within feet of the Renewal Community or are non-residential in nature. The Committee urges the Department to work with communities to take full advantage of the benefits of renewal community designation.

COMMUNITY DEVELOPMENT FUND

(INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2004 .....	\$4,920,864,000
Budget estimate, 2005 .....	4,618,094,000
Committee recommendation .....	4,950,000,000

PROGRAM DESCRIPTION

Under title I of the Housing and Community Development Act of 1974, as amended, the Department is authorized to award block grants to units of general local government and States for the funding of local community development programs. A wide range of physical, economic, and social development activities are eligible with spending priorities determined at the local level, but the law

enumerates general objectives which the block grants are designed to fulfill, including adequate housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income. Grant recipients are required to use at least 70 percent of their block grant funds for activities that benefit low- and moderate-income persons.

Funds are distributed to eligible recipients for community development purposes utilizing the higher of two objective formulas, one of which gives somewhat greater weight to the age of housing stock. Seventy percent of appropriated funds are distributed to entitlement communities and 30 percent are distributed to nonentitlement communities after deducting designated amounts for special purpose grants and Indian tribes.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,950,000,000 for the Community Development Fund in fiscal year 2005. This is an increase of \$331,906,000 above the budget request for fiscal year 2005 and \$29,205,000 above the fiscal year 2004 enacted level.

The Committee has included \$4,547,700,000 for community development block grants [CDBG]. Set-asides under this account include \$72,000,000 for native Americans; \$3,300,000 for the Housing Assistance Council; \$2,500,000 for the National American Indian Housing Council; \$25,000,000 for the Self Help Homeownership Opportunity Program; \$35,000,000 for capacity building of which \$31,500,000 is for Capacity Building for Community Development and Affordable Housing for LISC and the Enterprise Foundation; and \$51,000,000 for section 107 grants, including \$4,000,000 to support Alaska Native-Serving Institutions and Native Hawaiian-Serving Institutions; \$3,000,000 for competitive grants awarded to Tribal Colleges and Universities to build, expand, renovate, and equip their facilities; \$3,000,000 for community development work study, \$11,000,000 for historically black colleges and universities, of which up to \$1,500,000 is for technical assistance, \$7,000,000 for insular areas; \$6,000,000 for Community Outreach Partnerships, and \$7,000,000 for Hispanic-serving institutions. The Committee includes \$10,000,000 for assistance authorized under the Hawaiian Homelands Homeownership Act of 2000 under section 107. The administration proposed to fund this program in a separate account. Finally, \$500,000 is transferred to the working capital fund.

The Committee also includes \$65,000,000 for the Youthbuild program of which \$7,000,000 is to develop programs in underserved and rural areas. The Committee remains concerned that this program has not developed a significant base of support for funding outside the Federal funds made available through this account.

The Committee also funds the Economic Development Initiative at \$126,000,000 and the Neighborhood Initiatives program at \$22,000,000.

The Economic Development Initiatives are as follows:

\$1,900,000 for the City of Tuscaloosa, Alabama for the Urban Renewal Project in Tuscaloosa, Alabama;

\$300,000 for the City of Livingston, Alabama for downtown revitalization in Livingston, Alabama;

\$500,000 to the Crenshaw County Economic/Industrial Development Authority for industrial site preparation in Crenshaw County, Alabama;

\$250,000 to the City of Fairhope, Alabama for development of the Fairhope Library;

\$400,000 to the University of South Alabama for the Mitchell College of Business Library in Mobile, Alabama;

\$500,000 for the Selma YMCA for facilities improvements in Selma, Alabama;

\$450,000 for the Town of Double Springs, Alabama for community development;

\$150,000 for Alaska Botanical Garden in Anchorage for expansions and renovations;

\$150,000 for Friends of Eagle River Nature Center, Inc. in Eagle River, Alaska for costs associated with the construction of a community/visitor center;

\$500,000 for the Kincaid Park for Training Center, Anchorage, Alaska for costs associated with construction;

\$950,000 for the Municipality of Anchorage, Alaska for costs associated with the construction of a speed skating rink;

\$300,000 for the North Star Council on Aging in Fairbanks, Alaska for costs associated with the construction of the Fairbanks Senior Center;

\$175,000 for Love Social Services in Fairbanks, Alaska for expansion;

\$1,000,000 for the Kenai Peninsula Borough, Alaska for housing upgrades,

\$900,000 for the City of Ketchikan, Alaska for costs associated with the construction of the Tongass Coast Aquarium;

\$350,000 for Community Association of Hyder, Alaska for costs associated with the construction of a high speed water plant;

\$300,000 for the Juneau Family Birth Center, Alaska for the construction of a one-stop family resources center;

\$200,000 for the Upper Kuskowim Community Learning Center in Aniak, Alaska for costs associated with the construction of a high tech training facility;

\$525,000 for the Bering Straits Native Corporation in Nome, Alaska for Cape Nome Quarry Upgrade;

\$500,000 for Shishmaref, Alaska for the construction of barriers;

\$500,000 for the Special Olympics, Anchorage, Alaska for costs associated with the construction of a training center for disabled children;

\$275,000 for the National History Museum of the Adirondacks in Tupper Lake, New York for the design and construction of museum;

\$250,000 for the Old Independence Regional Museum in Batesville, Arkansas for costs associated with expansion;

\$250,000 for Mountain Home, Arkansas for the construction of the Vada Sheid Community Development Center;

\$250,000 for the City of Malvern, Arkansas for the completion of the Ouachita River Millennium Park Pavillion;

\$1,000,000 for the City of Inglewood, California for the construction of a senior center;

\$250,000 for the City of Stockton, California for costs associated with construction of the Eldorado Teen Center;

\$250,000 for the City of San Francisco, California for the Old Mint Redevelopment Project;

\$350,000 for the City of Davis, California for the construction of a senior center;

\$450,000 for the Los Angeles Harbor/Watts Economic Development Corporation, California for the development of a park and recreation site;

\$250,000 for the Denver Art Museum, Center for American Indian Art, Denver, Colorado for expansion;

\$250,000 for the Weld Food Bank in Greeley, Colorado for expansion and renovation;

\$250,000 for the La Gente Youth Sports Recreation Center in Pueblo, Colorado for the expansion of facilities;

\$250,000 for the Town of Mountain Village, Colorado for construction of the Affordable Housing Initiative;

\$250,000 for the Town of Montrose, Colorado for the Montrose Pavillion/Senior Center renovation;

\$215,000 for the Town of Ignacio, Colorado for affordable housing development;

\$250,000 for Foodshare, Inc., in Hartford County, Connecticut for the construction of a new distribution center;

\$250,000 for the Main Street Development Corporation in Ansonia, Connecticut for the Lower Naugatuck Valley Economic Development Initiative;

\$500,000 for the Mark Twain House and Museum in Hartford, Connecticut for costs associated with restoration and development;

\$250,000 for the Town of Plainfield, Connecticut for the InterRoyal Facility Remediation Initiative;

\$250,000 for Sacred Heart Village, Inc. in Wilmington, Delaware for costs associated with renovations;

\$250,000 for City of Ocilla, Georgia, for the renovations of the Old Ocilla School;

\$250,000 for Tubman African American Museum, Macon, Georgia for costs associated with renovations;

\$500,000 for the City of Coral Gables, Florida for the Biltmore Complex Restoration Project;

\$250,000 for the Miami Performing Arts Center, Florida for infrastructure improvements;

\$250,000 for the Boys and Girls Club of Hawaii in Honolulu for costs associated with construction of the Nanakuli site on Hawaiian Homelands;

\$250,000 for Poamoho Camp Community Association in Wahiawa, Hawaii for infrastructure improvements;

\$350,000 for Binhi At Ani in Wailuku, Hawaii for the construction of the Maui Filipino Community Center;

\$400,000 for Friends of Drug Court in Honolulu, Hawaii for the acquisition of a building;

\$250,000 for Kauai Economic Opportunity, Inc., in Kauai, Hawaii for improvements and renovations to a homeless shelter;

\$250,000 for the Hawaii Island Community Development Corporation in Hilo for the construction of low-income elderly housing;

\$1,000,000 for the Clearwater Economic Development Association, Idaho, for implementation of the Lewis and Clark Bicentennial plan;

\$900,000 for Boise State University in Idaho, for planning, design, and construction for the Center for Environmental Science and Economic Development;

\$900,000 for the University of Idaho, at Moscow, Idaho, for planning and design for a science and new technologies laboratory;

\$350,000 for the Field Museum, Chicago, Illinois for improvements;

\$150,000 for the Chicago Botanic Garden, Glencoe, Illinois for the expansion of the School of the Botanic Garden;

\$750,000 for the City of Springfield, Illinois for the design and construction of a community center on the city's east side;

\$250,000 for the Campbell Center for Historic Preservation in Mount Carroll, Illinois to complete the planning, feasibility, and design phase of its program expansion and rehabilitation project;

\$200,000 for the Northwest Illinois Chapter of the American Red Cross in Freeport, Illinois for the acquisition of property and construction of a new chapter office;

\$200,000 for the Chicago Food Depository, Illinois for capacity expansion and related programs;

\$200,000 for the Chicago House and Social Service Agency in Illinois to develop and construct a social services community center and programs on the West Side of Chicago, in partnership with Vital Bridges/Open Hand;

\$250,000 for The Community Foundation of Muncie and Delaware County, Inc., Anderson, Indiana for expansion of its food bank facilities;

\$250,000 for the City of Anderson, Indiana for the completion of the Anderson Fiber Network;

\$250,000 for the City of Indianapolis, Indiana for the construction of the Holmes Court Housing Development;

\$250,000 for the City of Jefferson, Indiana for costs associated with the redevelopment of Spring Street;

\$250,000 for the City of Waterloo, Iowa for the acquisition of the Cedar Valley TechWorks Facility;

\$250,000 for the City of Fort Dodge, Iowa for the Lincoln Neighborhood Redevelopment Project;

\$250,000 for the City of Storm Lake, Iowa for costs associated with the construction of the Destination Park Interpretative Center;

\$250,000 for the City of Bettendorf, Iowa for the River's Edge Redevelopment Project;

\$200,000 for the Mid America Housing Partnership in Cedar Rapids, Iowa for the housing trust fund;

\$200,000 for the Scott County Housing Council, Davenport, Iowa for the construction and rehabilitation of housing;

\$200,000 for the City of Waterloo, Iowa for the Rath Housing Initiative;

\$200,000 for Homeward Inc., in Iowa for construction of low income housing;

\$250,000 for the Kansas Chapter of National Korean War Veterans Association, Overland Park, Kansas for the construction of a Korean War Memorial;

\$500,000 for the City Vision Ministry, Kansas City, Kansas for Rosedale neighborhood affordable housing;

\$650,000 for the City of Great Bend, Kansas for construction of an environmental education center;

\$1,225,000 for Haskell Indian Nations University in Kansas for the construction of a science center;

\$500,000 for the City of Topeka, Kansas for infrastructure construction at the Center Point Commerce Park;

\$300,000 for the Veterans Memorial Park of Wichita, Kansas for renovation project;

\$200,000 for TLC for Children and Families, Inc. in Olathe, Kansas for the construction of residential, educational, and therapy facilities for homeless teens, foster care youth and parents, and teens in the Juvenile Justice System;

\$275,000 for Sedgwick County, Kansas for the construction of the Oaklawn Community Center;

\$1,500,000 for the City of Bowling Green, Kentucky, for purchasing equipment for the South Central Kentucky Training and Development Project;

\$800,000 for the City of Bowling Green, Kentucky for costs associated with the development of the Lost River Cave Improvement Project;

\$250,000 for Paducah Area Community Reuse Organization in Graves County, Kentucky for costs associated with the construction of the PACRO Industrial Park;

\$300,000 for the Owen County Industrial Authority, Kentucky for the Owen County Gas Line;

\$250,000 for the Edmonson County, Kentucky for costs associated with the construction of the Edmonson Technology and Economic Development Center;

\$500,000 for Catholic Charities, Archdiocese of New Orleans, Louisiana for costs associated with construction for the West Bank Senior Services Continuum;

\$750,000 for the City of Grand Isle, Louisiana for the construction of a community center;

\$250,000 for the Audubon Nature Institute in New Orleans, Louisiana for facility improvements;

\$300,000 for the City of Baton Rouge, Louisiana Recreation Commission for downtown recreation development;

\$250,000 for the City of Dequincy, Louisiana for downtown revitalization;

\$250,000 for St. Tammany Parish, Louisiana for the construction of a maritime training center;

\$300,000 for the City of Baltimore, Maryland, for costs associated with the relocation of the Central Garage;

\$250,000 for Associated Catholic Charities, Inc., in Baltimore, Maryland to build a new facility and renovate an existing facility for Our Daily Bread Employment Center and My Sister's Place Women's Center;

\$300,000 for St. Ambrose Housing, for purchase and rehabilitation of houses in northeast Baltimore, Maryland;

\$400,000 for Baltimore County, Maryland, for the rehabilitation of the Dundalk Community Center;

\$400,000 for Baltimore County, Maryland, for the Randallstown Community Center;

\$250,000 for the Charles County Economic Development Commission in Maryland for the design of the Energetics Technology Center;

\$200,000 for Montgomery County, Maryland for pedestrian enhancements and safety improvements in Long Branch;

\$200,000 for Montgomery County, Maryland for Fenton Street Village pedestrian linkages;

\$200,000 for Easter Seals, in Silver Spring, Maryland for the construction of the Easter Seal Inter-Generational Center;

\$500,000 for Prince Georges' County, Maryland, for the renovation of the Employment and Training Center and the Multicultural Academy;

\$500,000 for St. Mary's County, Maryland, for the acquisition and redevelopment of Lexington Manor;

\$1,000,000 for the Mandel Center for Nonprofit Organizations in Cleveland, Ohio, to capitalize a scholarship endowment established in memory of Art Naparstek;

\$500,000 for the National Council of Negro Women, in Washington, DC, for the construction and renovation of 633 Pennsylvania Avenue, in Northwest, Washington, DC;

\$500,000 for the Boys and Girls Clubs of America to establish programs for youth living in Public and Indian housing communities;

\$250,000 for the City of Brewer, Maine to acquire and redevelop eight parcels of land on the Penobscot River;

\$250,000 for the City of Caribou, Maine to improve and repair a gymnasium and related facilities in the Armory building;

\$250,000 for the City of Auburn, Maine to construct the Great Falls Parking Garage;

\$250,000 for the People's Regional Opportunity Program [PROP] for the construction of affordable housing units and a neighborhood center in Portland, Maine;

\$350,000 for the Attleboro Redevelopment Authority, Massachusetts for the Attleboro Redevelopment Authority Manufacturing Site Remediation and Redevelopment;

\$350,000 for the Greater Boston Food Bank, Massachusetts for expansion of its distribution center;

\$350,000 for the City of Lawrence, Massachusetts for the demolition and remediation of the Lawrence In-Town Mall building;

\$200,000 for the City of Northampton, Massachusetts for the redevelopment of blighted land;

\$300,000 for the State of Michigan for costs associated with the relocation of the A.E. Seaman Mineral Museum;

\$300,000 for the Motown Center in Detroit, Michigan for costs associated with the relocation of the center;

\$300,000 for the City of Detroit, Michigan for costs associated with the restoration of the riverfront;

\$350,000 for the State Theatre of Bay City/Bay County, Michigan for the restoration of the State Theatre;

\$350,000 for the City of Port Huron, Michigan for revitalization;

\$250,000 to the Minnesota Housing Finance Agency for supportive housing for homelessness in St. Paul, Minnesota;

\$250,000 to the City of St. Paul, Minnesota for rehabilitation needs at the Ames Lake Neighborhood/Phalen Place Apartments;

\$700,000 for Neighborhood House in St. Paul, Minnesota for construction of the Paul and Sheila Wellstone Center for Community Building;

\$250,000 for the Organization of Liberians in Minnesota in Brooklyn Park for costs associated with the construction of The Liberian Cultural and Community Center;

\$1,000,000 for the Area Development Partnership in Hattiesburg, Mississippi for costs associated with the construction of the Hattiesburg Innovation Commercialization Center;

\$1,850,000 to Mississippi State University for renovation of the Lloyd-Ricks building in Starkville, Mississippi;

\$750,000 to Lafayette County for restoration of the Lafayette County Courthouse in Oxford, Mississippi;

\$300,000 to the City of Waynesboro for relocation of the Police Department in Waynesboro, Mississippi;

\$300,000 to the City of Brookhaven for renovation of the Fire House in Brookhaven, Mississippi;

\$300,000 to the City of Holly Springs for the North Memphis Street Redevelopment project in Holly Springs, Mississippi;

\$250,000 to Kemper County for infrastructure improvements in Kemper County, Mississippi;

\$200,000 for the City of Booneville, Mississippi for community development;

\$250,000 to the Martin Luther King Foundation for the rehabilitation of the community center in Pickens, Mississippi;

\$800,000 to the City of Jackson for the remediation and renovation of historic King Edward Hotel in Jackson, Mississippi;

\$250,000 to the City of Pascagoula for public library repairs in Pascagoula, Mississippi;

\$250,000 to the City of Ellisville for the renovation and construction of the public library in Ellisville, Mississippi;

\$250,000 for St. Patrick Center for the Homeless Partnership Center in St. Louis, Missouri for construction;

\$250,000 for the Green Hills Regional Planning Commission for construction of renewable energy and rural economic development projects in Putnam County, Missouri;

\$250,000 for Joplin Area Chamber of Commerce Foundation in Missouri for the Joseph Newman Business and Technology Innovation Center;

\$250,000 for Greene County, Missouri for developing a natural history museum in Springfield, Missouri;

\$1,000,000 to St. Charles County Association for Retarded Citizens for Family Support Center construction in St. Louis County, Missouri;

\$1,000,000 to the City of St. Joseph, Missouri for construction associated with the St. Joseph Community Riverfront Redevelopment Project;

\$1,000,000 to the St. Louis Science Center for visitor center construction in St. Louis, Missouri;

\$1,000,000 to the Ozarks Development Corporation to provide infrastructure improvements to a development park in West Plains/Pamona, Missouri;

\$1,000,000 to the City of St. Joseph, Missouri for demolition of the Heartland Regional Medical Center;

\$1,000,000 to the City of St. Louis, Missouri for construction of a truck entrance at Broadway and St. Louis Avenue, utility relocation, rail track relocation and perimeter fencing;

\$500,000 to the Bartley-Decatur Neighborhood Center, Inc. to restore/re-construct home for use as revitalized neighborhood center in Springfield, Missouri;

\$500,000 for the Northern Rockies Center for Senior Health, Billings, Montana, for construction of a senior citizens facility;

\$700,000 for the Big Sky Economic Development Authority, Billings, Montana, for economic development outreach;

\$300,000 for the Great Falls Development Authority, Great Falls, Montana, for economic development outreach;

\$350,000 for the Chippewa Cree Tribe, Box Elder, Montana, for a housing construction project;

\$300,000 for the Story Mansion, Bozeman, Montana for historical renovations and improvements;

\$300,000 for the Rocky Mountain Development Council/PenKay Eagle Manor Renovation, Helena, Montana, for renovations and improvements;

\$300,000 for the Rocky Mountain Elk Foundation, Missoula, Montana for construction projects;

\$300,000 for the City of Billings, Montana West Side planning and development project;

\$250,000 for the Billings Child and Family Intervention Center, Billings, Montana for construction projects;

\$250,000 for the Montana Technology Enterprise Center in Missoula, Montana for a revolving loan fund;

\$250,000 for the Omaha Performing Arts Society, Nebraska for construction costs associated with the Omaha Performing Arts Center;

\$250,000 for the Boys and Girls Home of Nebraska, in Columbus, Nebraska to develop the Columbus Family Resource Center;

\$250,000 for the Davey Area Community Center in Davey, Nebraska for costs associated with construction;

\$500,000 for the Penacook Tannery in Concord, New Hampshire for restoration;

\$500,000 for the Claremont Mill in Claremont, New Hampshire for redevelopment;

\$400,000 for the Tilton Riverfront Park in Tilton, New Hampshire for development;

\$250,000 for the Old New Hampshire State House Planning Project in Concord, New Hampshire for planning of reconstruction of the first New Hampshire State House;

\$450,000 for the New Hampshire Main Street Center in Concord, New Hampshire for the development of downtown areas;

\$350,000 for the Souhegan Boys and Girls Club in Milford, New Hampshire for the construction of a new center;

\$350,000 for the Manchester Historical Association in Manchester, New Hampshire for the renovation of the Center for Preserving Manchester's History;

\$250,000 for the Northern Community Investment Corporation, Colebrook, New Hampshire for rural broadband telecommunications project;

\$250,000 for the Tri-County Community Action Program/City of Berlin, New Hampshire, for elimination of blighted and unsafe buildings;

\$250,000 for the City of East Orange, New Jersey for construction of a senior center;

\$250,000 for the Town of Hammonton, New Jersey for the construction of a community center complex;

\$250,000 for La Casa de Don Pedro in Newark, New Jersey for renovations in relation to the Lower Broadway Improvement Zone project;

\$250,000 for the City of Woodbine, New Jersey for renovations in relation to the Woodbine Community Center Complex project;

\$250,000 for the Borough of Carteret, New Jersey for the construction of an International Trade and Logistics Center;

\$250,000 for the South Jersey Economic Development District for economic revitalization in Atlantic, Cape May, Cumberland, and Salem counties;

\$400,000 for the Office of the New Mexico State Fire Marshal, Santa Fe, New Mexico, to support improved fire service, training services, infrastructure, and/or information systems in the State of New Mexico and at the New Mexico State Fire Academy in Socorro, New Mexico;

\$500,000 for Goodwill Industries of New Mexico, Albuquerque, New Mexico, for renovation of its headquarters and client training center;

\$275,000 for the Village of Tijeras, New Mexico, for purchase of a fire pumper truck to serve the community and Federal installations in the area;

\$1,175,000 for Presbyterian Medical Services, Santa Fe, New Mexico, for the construction of Santa Fe County Head Start and Early Head Start facilities;

\$400,000 for the City of Clovis Fire Department, New Mexico, for purchase of emergency medical vehicles to serve the community and Federal installations in the area;

\$750,000 for the City of Hobbs, New Mexico, for infrastructure associated with the development of the Hobbs Industrial Air Park;

\$500,000 for Eastern New Mexico University, Portales, New Mexico, for purchase of telecommunications equipment for its communications program and public radio station KENW;

\$250,000 for the Albuquerque Hispano Chamber of Commerce, New Mexico for the expansion of the Barelvas Job Opportunity Center;

\$250,000 for the Town of North Hempstead, New York for the New Cassel Revitalization and Redevelopment Project;

\$250,000 for the City of Buffalo, New York for the renovation of a building to create housing for the Buffalo Arts Homesteading Program;

\$250,000 for The Olana Partnership in Hudson, New York for costs associated with construction;

\$250,000 for the City of Poughkeepsie, New York for costs associated with replacing the roof on the Historic Luckey, Platt Building;

\$500,000 for Pucho's, Inc., in Buffalo, New York for the construction of a new recreational and educational resource room;

\$500,000 for the United Jewish Organizations of Williamsburg, Inc. in Brooklyn, New York for the construction of a new community services building;

\$800,000 for the City of Las Vegas, Nevada for improvements to a historic building;

\$250,000 for the City of Reno, Las Vegas for the Reno Fourth Street Corridor Enhancements which include but are not limited to streetscape improvements, safety upgrades, and the installation of lighting;

\$250,000 for Nevada Partners, Home of the Culinary Training Institute in North Las Vegas, Nevada for the expansion of the Southern Nevada Strategic Vocational Training Center;

\$250,000 for the Urban Chamber of Commerce in Las Vegas, Nevada for costs associated with the construction of a multi-use and instructional center;

\$250,000 for the North Las Vegas Library District, Nevada for costs associated with the construction of a full service library;

\$250,000 for East Las Vegas Community Development Corporation, Nevada for equipment;

\$200,000 for Ethel-Willia, Incorporated in Nevada for the Smart Start Child Care Center;

\$200,000 for the Town of Pahrump, Nevada for costs associated with the construction of the Pahrump/Nye County Fairground;

\$500,000 for the City of Reno/Good Shepherd Clothes Closet Project, Reno, Nevada;

\$200,000 for the National Whitewater Center in Charlotte, North Carolina for costs associated with construction;

\$200,000 for the Wake County Library Foundation in Raleigh, North Carolina for costs associated with construction;

\$200,000 for the Blowing Rock Performing Arts in Blowing Rock, North Carolina for construction;

\$250,000 for Ashe County, North Carolina to develop a Business Incubator in the Family Central Complex;

\$250,000 for Our Children's Place in Granville County, North Carolina to construct a facility;

\$350,000 for the Northwest Ventures Communities Inc., Minot, North Dakota for the construction of the Northwest Career and Technology Center;

\$350,000 for the Three Affiliated Tribes Tourism Department, New Town, North Dakota for a cultural interpretive center;

\$300,000 for the United Tribes Technical College in Bismarck, North Dakota for the construction of family housing;

\$300,000 for the NDSU Research and Technology Park Inc., in Fargo, North Dakota for the Advanced Technology Career Center;

\$250,000 for the Minot Area Community Foundation, North Dakota for the Prairie Community Development Center;

\$250,000 for the Franklin County Metro Parks, Franklin County, Ohio for the purchase of land in the Darby Creek Watershed;

\$250,000 for the Springfield Center City Association, Springfield, Ohio for the construction of a business incubator;

\$250,000 for Improved Solutions for Urban Systems, Inc., Dayton, Ohio to create a new model for economic, community and workforce development;

\$250,000 for the Toledo-Lucas County Port Authority for the Northwest Ohio Brownfield Restoration Initiative;

\$250,000 for the Youngstown Central Area Community Improvement Corporation, Youngstown, Ohio for construction of the Advanced Technology Incubator for Market Ready Applications;

\$250,000 for First Frontier, Inc., Xenia, Ohio for revitalization of the amphitheatre;

\$550,000 for Cleveland Playhouse Square, Cleveland, Ohio for IDEA Center;

\$450,000 for Development Projects, Inc., Dayton, Ohio for Downtown Dayton Northeast Quadrant;

\$300,000 for CAMP, Cleveland, Ohio for Cleveland Manufacturing Technology Complex;

\$500,000 for the Standing Bear Native American Foundation, Ponca City, Oklahoma for creation of the Standing Bear Museum and Education Center;

\$250,000 to Washington County, Oregon for costs associated with the construction of a homeless shelter;

\$250,000 to the Portland Development Commission, Oregon, for the North Macadam affordable housing project;

\$250,000 to the City of Gresham, Oregon for costs associated with the construction of a cultural arts center;

\$250,000 to the City of Brookings Harbor, Oregon for the redevelopment of the boardwalk;

\$500,000 for the City of Portland, Oregon for development of the Portland Streetcar;

\$200,000 for the Bean Foundation, Inc. in Bend, Oregon for costs associated with the construction of the Madras Center for Education and Workforce Training;

\$200,000 for Brookings Harbor, Oregon for costs associated with the construction of the Brookings Harbor Seafood Processing Plant;

\$300,000 for the Urban Redevelopment Authority of Pittsburgh, Pennsylvania, for the redevelopment of South Side Works;

\$300,000 for the City of Scranton, Pennsylvania, for the Cedar Avenue Revitalization;

\$300,000 for Bucknell University, Lewisburg, Pennsylvania for the Lewisburg Downtown Theater rehabilitation;

\$250,000 for the Allegheny West Foundation, Philadelphia, Pennsylvania, for the Budd Plant rehabilitation project;

\$250,000 for the Indiana County Development Corporation, Indiana, Pennsylvania, for the Indiana Springs development project;

\$250,000 for the City of Erie, Pennsylvania, for site preparation and redevelopment of the vacant and blighted Koehler Brewery Building;

\$250,000 for the City of Greensburg, Pennsylvania, for construction of a Center for the Arts;

\$250,000 for Our City Reading, in Reading, Pennsylvania, for the rehabilitation of abandoned houses and parks to provide quality home ownership opportunities to low-income families;

\$250,000 for the Greater Wilkes-Barre Chamber of Business and Industry, in Wilkes-Barre, Pennsylvania, for the acquisition and redevelopment of the historic Irem Temple;

\$250,000 for the City of Lancaster, Pennsylvania, for the rehabilitation and renovation of the Lancaster Central Market;

\$250,000 for Eagles Mere Village, Inc., in Eagles Mere, Pennsylvania, for the acquisition and rehabilitation of downtown buildings;

\$250,000 for the Allegheny County Department of Community and Economic Development, in Pittsburgh, Pennsylvania, for the planning, design, and construction of Schenley Plaza;

\$250,000 for the Greene County Department of Planning and Development, in Franklin Township, Pennsylvania, for construction of a multi-tenant facility at EverGreene Technology Park;

\$200,000 for Universal Community Homes in Philadelphia, Pennsylvania, for the conversion of land into for-sale units to low- and moderate-income families;

\$200,000 for the Borough of Lewistown, Pennsylvania, for the rehabilitation and renovation of the Lewistown Municipal Building;

\$200,000 for the Darby Borough Community Development Corporation, in Darby, Pennsylvania, for a Main Street revitalization initiative including acquisition, renovation, and demolition of downtown buildings;

\$200,000 for the Chester County Industrial Development Authority, in East Whiteland and Tredyffrin Townships, Pennsylvania, for the redevelopment of the Atwater Brownfields site;

\$200,000 for the Inglis Foundation, in Philadelphia, Pennsylvania, for the planning, design, and construction of housing for individuals with disabilities;

\$250,000 to the Pawtucket Armory Association in Pawtucket, Rhode Island for renovation of the armory into a performing arts and arts education center;

\$250,000 to Westbay Community Action in Warwick, Rhode Island for the purchase and renovation of a building for use as a child care center;

\$250,000 to the Providence Neighborhood Investment Program in Providence, Rhode Island for economic revitalization projects in distressed communities;

\$250,000 for the Meeting Street National Center of Excellence in Providence, Rhode Island for the construction of a new facility and recreation space;

\$250,000 for Rhode Island College in Providence, Rhode Island for the renovation of the former State Home and School;

\$250,000 to the Old Slater Mill Association in Pawtucket, Rhode Island for improvements to the exhibitry and the building;

\$500,000 for Meeting Street in Providence, Rhode Island for a recreational facility;

\$250,000 for the West Warwick Senior Center, Inc. in Rhode Island for the costs associated with construction of affordable housing and community center;

\$250,000 for Travelers Aid of Rhode Island in Providence, Rhode Island for building renovations;

\$250,000 for City of Anderson, South Carolina for costs associated with the construction of the Murray/Franklin Street Project;

\$250,000 for American College of the Building Arts, Charleston, South Carolina for training and skills;

\$400,000 for EngenuitySC in Columbia, South Carolina for building renovations and purchasing of technology equipment;

\$1,400,000 for the Wakpa Sica Historical Society in Fort Pierre, South Dakota for the Wakpa Sica Reconciliation Center;

\$400,000 for the City of Mobridge, South Dakota for the Missouri River riverfront economic development project;

\$250,000 for the Sioux Empire Housing Partnership in Sioux Falls, South Dakota for development of low income housing;

\$250,000 for City of Sioux Falls, South Dakota for a day care center;

\$400,000 for the Sioux Falls Family YMCA, South Dakota for construction of a facility;

\$250,000 for Tea, South Dakota for costs associated with construction of a city hall;

\$250,000 for the Cheyenne River Youth Project, Eagle Butte, South Dakota for the construction of a teen center;

\$400,000 for the Oglala Sioux Tribe in Pine Ridge, South Dakota for the construction of a veterans center;

\$400,000 for the Cheyenne River Sioux Tribe in Eagle Butte, South Dakota for the construction of a veterans center;

\$250,000 for the Central States Fair Inc., in Rapid City, South Dakota for infrastructure improvements;

\$500,000 for City of Brookings, South Dakota for Growth Partnership Research Park;

\$250,000 for Rapid City YMCA, South Dakota for the construction of a teen wellness center;

\$500,000 for the City of Sturgis, South Dakota, for the Sturgis Industrial Park;

\$250,000 for the Rapid City Arts Council, Rapid City, South Dakota, for the Dahl Arts Center;

\$500,000 for the City of Huntingdon, Tennessee for land acquisition;

\$500,000 for the Rolling Mill Hill Revitalization Project in Nashville, Tennessee for the revitalization of distressed urban areas;

\$500,000 for the Big South Fork Visitors Center, Scott County, Tennessee to develop new visitors facilities;

\$250,000 for the Chattanooga Public Housing Authority to support the Economic Self Sufficiency and 21st Century Work Skills program in Chattanooga, Tennessee;

\$250,000 for the Native American Indian Association of Tennessee, Nashville, Tennessee for construction of a cultural center;

\$250,000 for the Lauderdale County Industrial Park, Lauderdale County, Tennessee for industrial site development;

\$250,000 for the Country Music Hall of Fame and Museum, Nashville, Tennessee to support community programs;

\$250,000 for the Chattanooga African American Chamber of Commerce, Tennessee to construct the Martin Luther King Business Solutions Center;

\$250,000 for the Appalachian Service Project, Johnson City, Tennessee to support the Summer Home Repair Program;

\$500,000 for Covenant House Texas in Houston to evaluate the structural and mechanical systems of the current emergency shelter and upgrade the agency's infrastructure;

\$400,000 for the Acres Home Economic Development Initiative in Houston, Texas to redevelop the Acres home-community;

\$250,000 for the World Congress on Information Technology in Austin, Texas for renovations to the Austin Convention Center;

\$200,000 for the Beaumont Downtown Improvement Program in Beaumont, Texas for downtown redevelopment;

\$200,000 for the Texas Theater Renovations in Dallas, Texas for renovations to the building;

\$250,000 for Caritas of Austin, Texas for the Austin Basic Needs Collaboration Economic Development Initiative;

\$200,000 for the Fort Worth Urban Villages Revitalization initiative in Fort Worth, Texas for downtown improvements;

\$200,000 for the Houston Freedman's Town African American Archive in Houston, Texas for continued renovations to the Gregory School;

\$200,000 for the San Angelo Home Loan Program in San Angelo, Texas to continue helping low and moderate income families with housing needs;

\$200,000 for the East Austin Improvements project in Austin, Texas to provide improvements to the Central East Austin neighborhood;

\$200,000 for the Denton Downtown Redevelopment project in Denton, Texas for downtown square improvements;

\$200,000 for the Plaza Theater Renovations in Laredo, Texas to renovate the Plaza Theater;

\$200,000 for the Corpus Christi Downtown Redevelopment in Corpus Christi, Texas to provide streetscape improvements;

\$100,000 for the St. Phillips Neighborhood Redevelopment Initiative in Dallas, Texas to provide improvements to the community;

\$200,000 for the Vermont Institute of Natural Science, Woodstock, Vermont for the construction of a wildlife rehabilitation facility;

\$200,000 for Vermont Housing and Conservation Board for the development of affordable housing in Rutland, Vermont;

\$750,000 for the Vermont Center on Emerging Technologies, Burlington, Vermont for development of a technology incubator;

\$600,000 for the Preservation Trust of Vermont, Burlington, Vermont for the Village Revitalization Initiative;

\$450,000 for the Vermont Housing and Conservation Board, Montpelier, Vermont for development of affordable housing and downtown revitalization in Burlington, Vermont;

\$250,000 for the Art Museum of Western Virginia in Roanoke, Virginia for planning and construction of a new museum;

\$250,000 for the George C Marshall Foundation in Lexington, Virginia for renovation and repair;

\$700,000 for Christopher Newport University Real Estate Foundation, Newport News, Virginia for the Warwick Boulevard Commercial Corridor Redevelopment project;

\$500,000 for the Woodrow Wilson Presidential Library, Staunton, Virginia for planning, construction, and renovation of the facility;

\$300,000 for Virginia Economic Bridge, Inc., Radford, Virginia for development and operation of programs to address employment and economic development in Southwest Virginia;

\$650,000 for Wayne County, Utah for the Wayne County Community Center;

\$250,000 for West Jordan, Utah for the West Jordan Pioneer Hall Renovation;

\$900,000 for USF Elizabethan Theater, Cedar City, Utah for design and construction of an Elizabethan theater;

\$1,000,000 for Brigham City, Utah for the Academy Building Renovation;

\$500,000 for Salt Lake City, Utah for renovation of Historic Pioneer Park;

\$250,000 for the Boys and Girls Club of South Puget Sound in Tacoma, Washington for costs associated with construction of new community centers;

\$250,000 for the SWIFT Cyber Group in Richland, Washington for the SWIFT Initiative I—Elimination of Broadband Gaps;

\$200,000 for the Washington Technology Center in Seattle for the Washington Nanotechnology Initiative;

\$200,000 for the City of Burien, Washington for the acquisition and redevelopment of the Burien Highline Senior Center;

\$500,000 for the Delridge Development Association in Seattle, Washington for renovations of the Old Cooper School;

\$500,000 for Yakima Valley Farmworkers Clinic in Toppenish, Washington for costs associated with the construction of Science and Technology Partnership Center;

\$300,000 for the Edmonds Public Facilities District in Washington for costs associated with the construction of the Edmonds Center for the Arts;

\$300,000 for St. Anne's Children/Family Center in Spokane, Washington for costs associated with construction;

\$250,000 for the Northwest Maritime Center in Port Townsend, Washington for construction;

\$250,000 for the Washington Public Ports Association in Olympia, Washington for the WPAA Education Foundation;

\$1,250,000 for West Virginia University for the development of a facility to house forensic science research and academic programs;

\$1,250,000 for the McDowell County Commission, West Virginia for infrastructure and site development at the Indian Ridge Industrial Park;

\$750,000 for the City of Beckley, West Virginia for downtown revitalization;

\$300,000 for the Redevelopment Authority of the City of Milwaukee, Wisconsin for the Riverwest Neighborhood Housing Initiative;

\$250,000 for the Redevelopment Authority of the City of Milwaukee, Wisconsin for the redevelopment of the Tower Automotive site;

\$300,000 for the City of Madison, Wisconsin for the South Madison Redevelopment Project;

\$300,000 for the Town of Madison, Wisconsin for the continued work on the Novation Technology Campus;

\$300,000 for the City of Kenosha, Wisconsin for the Brass Redevelopment Project;

\$250,000 for the Menomonee Valley Partners of Milwaukee, Wisconsin for the redevelopment of a former rail yard;

\$250,000 for the City of Manitowoc, Wisconsin for economic development activities;

\$300,000 for the West Central Wisconsin Regional Planning Commission in Eau Claire for technology start ups and expansions;

\$250,000 for Riverfront Inc., in La Crosse, Wisconsin for the construction of work centers for the disabled;

\$750,000 for the University of Wyoming, Laramie, Wyoming for the construction of the Wyoming Technology Business Center;

\$250,000 for the Cottonwood Park Estates, Gillette, Wyoming for the removal of asbestos for senior housing construction.

The Neighborhood Initiative grants are as follows:

\$500,000 for the City of Conway, Arkansas for downtown revitalization;

\$500,000 for the Sacramento Housing and Development Agency, California for the construction of new low income housing;

\$250,000 for the Riverfront Development Corporation in Wilmington, Delaware for construction of a pedestrian bridge as part of the efforts to redevelop the Christina riverfront;

\$250,000 for the City of Orlando, Florida for the Parramore Neighborhood Revitalization Project;

\$300,000 for Lokahi Pacific in Wailuku, Hawaii for costs associated with the construction of the Blue Hawaii Building Projects and the Wailuku Small Business Center;

\$200,000 for the Patriot's Gateway Center in Rockford, Illinois for continuation of programs and neighborhood revitalization in Rockford;

\$500,000 for the City of Terre Haute, Indiana for the Terre Haute Business Incubator;

\$500,000 for the Iowa Department of Economic Development for the enhancement of regional economic development capabilities;

\$300,000 for the City of Council Bluffs, Iowa for downtown revitalization;

\$200,000 for the City of Fort Dodge, Iowa for the Lincoln Neighborhood Initiative;

\$500,000 for Catholic Housing of Wyandotte County, Kansas, Inc. for construction of low-cost housing and economic development activities as part of the Bethany Redevelopment Project in Wyandotte County, Kansas;

\$1,000,000 for the Casey County Fiscal Court, Kentucky for the Central Kentucky Agriculture and Exposition Center in Casey County, Kentucky;

\$1,000,000 for East Baltimore Development Inc., in Baltimore, Maryland for redevelopment activities in East Baltimore;

\$1,300,000 for the Denali Commission for economic development in remote Native and rural villages in Alaska;

\$300,000 for the Cambridge Redevelopment Authority, Massachusetts for the Kendall Square Renewal Area Project;

\$300,000 for the Detroit Riverfront Conservancy, Michigan for costs associated with the restoration of the riverfront;

\$1,000,000 to the B.B. King Museum Foundation for the B.B King Museum in Indianola, Mississippi;

\$300,000 to Mississippi State University for the Capacity Development Initiative in Starkville, Mississippi;

\$250,000 to Jackson State University for the Lynch Street Development Corridor Redevelopment in Jackson, Mississippi;

\$250,000 to the City of Grenada for the Taylor Hall renovation in Grenada, Mississippi;

\$350,000 for the LeFleur Lakes Development Foundation for an Economic Development Plan in Rankin and Hinds County, Mississippi;

\$350,000 to Lincoln County for the restoration of the Boys & Girls Club in Lincoln County, Mississippi;

\$5,000,000 for the Grace Hill Neighborhood Health Centers, Inc. shall be spent on primary prevention activities with no less than \$4,000,000 spent on remediation and abatement activities of housing in St. Louis, Missouri;

\$500,000 to the Urban League of Kansas City, Missouri for programs to support at-risk youth in the urban core of Kansas City;

\$260,000 to the Central Missouri Food Bank in Columbia, Missouri for capital campaign project;

\$90,000 to the Special Learning Center in Jefferson City, Missouri for staffing, training, equipment, supplies and renovations;

\$50,000 to the Children's Therapy and Early Education School in Mexico, Missouri for an indoor exercise and gym area and to provide location for occupational and physical therapy for children with developmental delays and special needs;

\$1,000,000 for the Georgia Museum of Art in Athens, Georgia for completion of phase II;

\$1,000,000 for the Memphis Biotech Foundation in Memphis, Tennessee for planning, design, construction, and equipment associated with the Memphis Biotech Foundation;

\$250,000 for the City of North Las Vegas, Nevada for a neighborhood beautification project;

\$500,000 for the City of Rugby, North Dakota to continue work on information technology and energy projects;

\$1,400,000 for Charleston Housing Trust Incorporated in South Carolina for the development of affordable housing;

\$300,000 for Mercy Housing, Inc. for improvements to rural housing in Yakima, Washington; and

\$1,250,000 for the Raleigh County Commission, West Virginia for further development at the Raleigh County Airport Industrial Park.

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

	Limitation on guarantee loans	Program costs
Appropriations, 2004 .....	\$275,000,000	\$6,288,000
Budget estimate, 2005 .....		
Committee recommendation .....	275,000,000	6,325,000

PROGRAM DESCRIPTION

Section 108 of the Housing and Community Development Act of 1974, as amended, authorizes the Secretary to issue Federal loan guarantees of private market loans used by entitlement and non-entitlement communities to cover the costs of acquiring real property, rehabilitation of publicly owned real property, housing rehabilitation, and other economic development activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$6,325,000 for program costs associated with the section 108 loan guarantee program. This amount is \$37,000 above the fiscal year 2004 enacted level and \$6,325,000 more than the budget request. The Administration recommended no funding for this program. While the program has had an uneven history, it does afford some communities the ability to leverage private capital for large projects through a pledge of future CDBG funds.

Of the funds provided, \$6,325,000 is for credit subsidy costs to guarantee \$275,000,000 in section 108 loan commitments in fiscal year 2005, and \$1,000,000 is for administrative expenses to be transferred to the salaries and expenses account.

BROWNFIELDS REDEVELOPMENT

Appropriations, 2004 .....	\$24,853,000
Budget estimate, 2005 .....	
Committee recommendation .....	25,000,000

PROGRAM DESCRIPTION

Section 108(q) of the Housing and Community Development Act of 1974, as amended, authorizes the Brownfields Redevelopment program. This program provides competitive economic development grants in conjunction with section 108 loan guarantees for qualified brownfields projects. Grants are made in accordance with Section 108(q) selection criteria. The program supports the cleanup and economic redevelopment of contaminated sites.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$25,000,000 for this program. This amount is \$147,000 more than the fiscal year 2004 enacted level and \$25,000,000 above the budget request. The administration requested no funding for this program. This program has been instrumental in the redevelopment of many communities and the administration has not provided an adequate justification for its elimination.

HOME INVESTMENT PARTNERSHIPS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2004 .....	\$2,005,625,000
Budget estimate, 2005 .....	2,084,200,000
Committee recommendation .....	2,050,000,000

## PROGRAM DESCRIPTION

Title II of the National Affordable Housing Act, as amended, authorizes the HOME Investment Partnerships Program. This program provides assistance to States and units of local government for the purpose of expanding the supply and affordability of housing to low- and very low-income people. Eligible activities include tenant-based rental assistance, acquisition, and rehabilitation of affordable rental and ownership housing and, also, construction of housing. To participate in the HOME program, State and local governments must develop a comprehensive housing affordability strategy. There is a 25 percent matching requirement for participating jurisdictions which can be reduced or eliminated if they are experiencing fiscal distress. Funding for the American Dream Downpayment Assistance initiative is also provided through the HOME program. This initiative provides downpayment assistance to low income families to help them achieve homeownership.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,050,000,000 for the HOME Investment Partnerships Program. This amount is \$44,375,000 more than the fiscal year 2004 enacted level and \$34,200,000 less than the budget request.

The Committee includes \$18,000,000 for technical assistance, the same amount as provided in fiscal year 2004. Of this amount, \$7,000,000 is for qualified non-profit intermediaries to provide technical assistance to Community Housing and Development Organizations [CHDOs]. The remaining \$11,000,000 is for intermediaries to provide technical assistance to HOME participating jurisdictions. The Committee objects to any proposal by the Department that ties the use of HOME funds for homeownership to the allocation of funds under the American Dream Downpayment Fund.

The Committee includes \$50,000,000 for the Administration's proposed American Dream Downpayment Fund. The Committee supports expanding homeownership opportunities, but is concerned that this program may be helping families with excessive credit risk and who may not be the best candidates for homeownership. The Committee requests that HUD report to the Committees on Appropriations on the rate of default by those in the program as well as the numbers of participants who have missed their mortgage payments by 30 days, by 60 days and by 90 days and/or who have received some form of relief to keep their mortgages current. This report is due no later than July 31, 2005. The Committee supports efforts the Department may undertake to educate communities on how to use HOME funds to expand homeownership, and encourages the Department to use its technical assistance funds towards this end.

In addition, according to a recent GAO review of the American Dream Downpayment Fund/Program, HUD is unlikely to be able to obligate more than \$40,000,000 to \$50,000,000 in fiscal year 2005. This is consistent with HUD's own calculations which are further highlighted by HUD's projection that by the end of fiscal year 2005 only 16 percent of the obligated funds appropriated for this pro-

gram in fiscal years 2003 and 2004 will have been expended. This represents a spend-out rate of some 10 percent. This means that funding this program at the full budget request of \$200,000,000 will likely result in the build-up of large unexpended balances which is counter-productive in a time when the administration and the Congress are committed to reducing large Federal budget deficits and where many other programs are facing a very tight budget.

Of the amount provided for the HOME program, \$45,000,000 is for housing counseling assistance. The Committee does not fund housing assistance counseling in a new account, as proposed by the administration. The Committee views homeownership counseling, including pre- and post-purchase counseling, as an essential part of successful homeownership. The Committee expects that this program will remain available to those participating in all HUD's homeownership programs. The Committee continues to urge HUD to utilize this program as a means of educating homebuyers on the dangers of predatory lending, in addition to the Administration's stated purpose of expanding homeownership opportunities.

HOMELESS ASSISTANCE GRANTS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2004 .....	\$1,259,542,000
Budget estimate, 2005 .....	1,282,400,000
Committee recommendation .....	1,260,000,000

PROGRAM DESCRIPTION

The Homeless Assistance Grants Program provides funding to break the cycle of homelessness and to move homeless persons and families to permanent housing. This is done by providing rental assistance, emergency shelter, transitional and permanent housing, and supportive services to homeless persons and families. The emergency grant is a formula funded grant program, while the supportive housing, section 8 moderate rehabilitation single-room occupancy program and the shelter plus care programs are competitive grants. Homeless assistance grants provide Federal support to one of the Nation's most vulnerable populations. These grants assist localities in addressing the housing and service needs of a wide variety of homeless populations while developing coordinated Continuum of Care [CoC] systems that ensure the support necessary to help those who are homeless to attain housing and move toward self-sufficiency.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,260,000,000 for homeless assistance grants. This level is \$458,000 above the fiscal year 2004 enacted level and \$22,400,000 below the budget request. Of the amount provided, \$186,000,000 is to fund fully Shelter Plus Care renewals on an annual basis and \$11,900,000 is for technical assistance and management information system.

The Committee remains committed to ending chronic homelessness over 10 years. To that end, the Committee supports Federal, State, and local efforts to increase, over time, the supply of perma-

ment supportive housing for chronically homeless, chronically ill people until the need is met at an estimated 150,000 units. Accordingly, the Committee again includes bill language that requires HUD to spend a minimum of 30 percent of the funds appropriated under this account for permanent housing. The Committee emphasizes that this is the minimal level of effort expected to be spent on permanent housing and strongly urges the Department to maximize its funding on this endeavor.

The Committee applauds the Department's recent efforts in working to ensure that Shelter Plus Care grants are properly targeted to providers serving chronically disabled, chronically homeless people. HUD's sample of 2003 projects indicates that about 70 percent of participants served by Shelter Plus Care reported to have a mental illness and a significant percentage suffered from alcohol or drug abuse.

The Committee remains strongly supportive of the Department's ongoing efforts on data collection and analysis within the homeless programs, especially its efforts to collect a nationally representative sample of homeless data. HUD should continue its collaborative efforts with local jurisdictions to collect an array of data on homelessness in order to analyze patterns of use of assistance, including how many people enter and exit the homeless assistance system. The Committee directs HUD to continue its role in leading the Federal Government's efforts on this data collection and analysis activity. The Committee directs HUD to report on the progress of this data collection and analysis effort by no later than March 21, 2005.

The Committee continues to support the U.S. Interagency Council on Homelessness's [ICH] efforts to develop 10-year plans to end chronic homelessness. The Committee believes that these performance-based plans will assist local jurisdictions and States in developing strategies on ending homelessness. The Committee strongly encourages the Department to assist the ICH in this effort.

The Committee remains concerned about the high number of homeless veterans. The Committee understands that the Department has taken steps to encourage participation of veterans in the development of continua of care, and encourages the Department to pursue other means of reaching homeless veterans including requiring collaboration between continua of care and Community Homeless Assessment, Local Education, and Networking Groups at VA medical centers.

Some supportive housing providers have expressed concern about the cash match required under the supportive housing program [SHP] because some of their services are provided directly to the resident instead of funding the provider to deliver the services. Accordingly, the Committee directs the Department to provide flexibility in defining what types of activities qualify in meeting the match requirement under the SHP program. The Committee believes that the cash value of services provided to a grantee's resident or client by an entity other than the grantee may be used as a qualified match when documented by a Memorandum of Understanding between the grantee and the other entity. The cost value of these services should not be included to the extent Federal funds support these services.

The Committee remains concerned about the potential out-year costs of renewing permanent housing programs. Therefore, the Committee directs the Department to include 5-year projections, on an annual basis, for the cost of renewing the permanent housing component of the Supportive Housing Program and Shelter Plus Care grants in its fiscal year 2006 budget justifications.

EMERGENCY FOOD AND SHELTER PROGRAM

Appropriations, 2004 .....	
Budget estimate, 2005 .....	\$153,000,000
Committee recommendation .....	

PROGRAM DESCRIPTION

The Emergency Food and Shelter Program originated as a one-time emergency appropriation to combat the effects of high unemployment in the emergency jobs bill (Public Law 98–8) which was enacted in March 1983. It was authorized under title III of the Stewart B. McKinney Homeless Assistance Act of 1987, Public Law 100–177.

The program has been funded by the Department of Homeland Security’s [DHS] Federal Emergency Management Agency [FEMA] and administered by a national board and the majority of the funding has been spent for providing temporary food and shelter for the homeless. Participating organizations are restricted by legislation from spending more than 3.5 percent of the funding received for administrative costs.

COMMITTEE RECOMMENDATION

The Committee does not include the Administration’s proposal to transfer the Emergency Food and Shelter Program from DHS to HUD. The Committee has provided funding for this program within DHS.

HOUSING PROGRAMS

HOUSING FOR THE ELDERLY

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2004 .....	\$773,728,000
Budget estimate, 2005 .....	773,300,000
Committee recommendation .....	773,800,000

PROGRAM DESCRIPTION

This account provides funding for housing for the elderly under section 202. Under this program, the Department provides capital grants to eligible entities for the acquisition, rehabilitation, or construction of housing for seniors.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$773,800,000 for the Section 202 program, an increase of \$72,000 over the fiscal year 2004 level and an increase of \$500,000 over the budget request. Of these funds, \$53,000,000 is for service coordinators and for the continuation of existing congregate service grants; up to \$30,000,000

for the conversion of projects to assisted living housing for substantial rehabilitation and for emergency capital repairs; \$20,000,000 for grants to nonprofits for architectural and engineering work, site control and planning activities.

According to a 2003 GAO report, section 202 has reached only 8 percent of very low income elderly households. The Committee believes that greater resources should be devoted to the section 202 program and encourages the Department to make this program more of a priority, including better targeting to extremely low-income elderly households. Further, many of the existing 202 units have serious repair needs that are not being adequately addressed by the Department. Bill language is included to allow limited funds to be used for capital repairs. The Committee looks forward to receiving the comprehensive capital assessment of section 202 and 236 assisted housing and alternatives to address those needs as required in the fiscal year 2004 Act.

The Department currently is not engaged in any activities to help those people aging in place remain comfortably in their homes and communities. The Committee directs that the Department work with the Department of Health and Human Services' Office of Aging to coordinate expertise and resources to strengthen naturally occurring retirement communities, known as "NORCs".

HOUSING FOR PERSONS WITH DISABILITIES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2004 .....	\$249,092,000
Budget estimate, 2005 .....	248,700,000
Committee recommendation .....	250,000,000

PROGRAM DESCRIPTION

This account provides funding for housing for the persons with disabilities under section 811. Under this program, the Department provides capital grants to eligible entities for the acquisition, rehabilitation, or construction of housing for persons with disabilities. Up to 25 percent of the funding may be made available for tenant-based assistance under section 8.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$250,000,000 for the Section 811 program, an increase of \$908,000 over the fiscal year 2004 level and \$1,300,000 over the budget request. HUD is directed to ensure that all tenant-based assistance made available under this account shall remain available for persons with disabilities upon turnover.

FLEXIBLE SUBSIDY FUND

(TRANSFER OF FUNDS)

PROGRAM DESCRIPTION

The Housing and Urban Development Act of 1968 authorized HUD to establish a revolving fund into which rental collections in excess of the established basic rents for units in section 236 sub-

sidized projects are deposited. Subject to approval in appropriations acts, the Secretary is authorized under the Housing and Community Development Amendment of 1978 to transfer excess rent collections received after 1978 to the Troubled Projects Operating Subsidy program, renamed the Flexible Subsidy Fund.

COMMITTEE RECOMMENDATION

The Committee recommends that the account continue to serve as a repository of excess rental charges appropriated from the Rental Housing Assistance Fund. Although these resources will not be used for new reservations, they will continue to offset Flexible Subsidy outlays and other discretionary expenditures.

OTHER ASSISTED HOUSING PROGRAMS

RENTAL HOUSING ASSISTANCE

(RESCISSION)

PROGRAM DESCRIPTION

This account includes the rent supplement program, the section 235 program, the section 236 program and IRP rehabilitation grants, all of which provide either grants to tenants or subsidies to owners of low-income housing as a method of maintaining housing for low-income use.

COMMITTEE RECOMMENDATION

The Committee recommends the cancellation of \$675,000,000 in unused and available contract authority.

MANUFACTURED HOUSING FEES TRUST FUND

Appropriations, 2004 .....	\$12,923,000
Budget request, 2004 .....	13,000,000
Committee recommendation .....	13,000,000

PROGRAM DESCRIPTION

The National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by the Manufactured Housing Improvement Act of 2000, authorizes the Secretary to establish Federal manufactured home construction and safety standards for the construction, design, and performance of manufactured homes. All manufactured homes are required to meet the Federal standards, and fees are charged to producers to cover the costs of administering the Act.

COMMITTEE RECOMMENDATION

The Committee recommends \$13,000,000 to support the manufactured housing standards programs to be derived from fees collected and deposited in the Manufactured Housing Fees Trust Fund account. The amount recommended is the same as the budget request and \$77,000 more than the fiscal year 2004 enacted level.

The Committee thanks the Department for submitting line-item expenses for the manufactured housing program in its proposed fiscal year 2005 budget request, and encourages the HUD to continue

doing so in its future budgets. In addition, the Committee encourages HUD to continue to prioritize its expenditures for this program in accordance with the appropriate sections of the Manufactured Housing Improvement Act of 2000.

FEDERAL HOUSING ADMINISTRATION  
MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT  
(INCLUDING TRANSFERS OF FUNDS)

	Limitation on direct loans	Limitation on guaranteed loans	Administrative expenses
Appropriations, 2004 .....	\$50,000,000	\$185,000,000,000	\$356,882,000
Budget estimate, 2005 .....	50,000,000	185,000,000,000	366,000,000
Committee recommendation .....	50,000,000	185,000,000,000	366,000,000

GENERAL AND SPECIAL RISK PROGRAM ACCOUNT  
(INCLUDING TRANSFERS OF FUNDS)

	Limitation on direct loans	Limitation on guaranteed loans	Administrative expenses	Program costs
Appropriations, 2004 .....	\$50,000,000	\$25,000,000,000	\$227,649,000	\$14,912,000
Budget estimate, 2005 .....	50,000,000	35,000,000,000	234,000,000	10,000,000
Committee recommendation .....	50,000,000	35,000,000,000	234,000,000	10,000,000

PROGRAM DESCRIPTION

The Federal Housing Administration [FHA] fund covers the mortgage and loan insurance activity of about 40 HUD mortgage/loan insurance programs which are grouped into the mutual mortgage insurance [MMI] fund, cooperative management housing insurance [CMHI] fund, general insurance fund [GI] fund, and the special risk insurance [SRI] fund. For presentation and accounting control purposes, these are divided into two sets of accounts based on shared characteristics. The unsubsidized insurance programs of the mutual mortgage insurance fund and the cooperative management housing insurance fund constitute one set; and the general risk insurance and special risk insurance funds, which are partially composed of subsidized programs, make up the other.

The amounts for administrative expenses are to be transferred from appropriations made in the FHA program accounts to the HUD "Salaries and expenses" accounts. Additionally, funds are also appropriated for administrative contract expenses for FHA activities.

COMMITTEE RECOMMENDATION

The Committee has included the following amounts for the "Mutual Mortgage Insurance Program" account: a limitation on guaranteed loans of \$185,000,000,000, a limitation on direct loans of \$50,000,000, and an appropriation of \$366,000,000 for administrative expenses. For the GI/SRI account, the Committee recommends \$35,000,000,000 as a limitation on guaranteed loans, a limitation on direct loans of \$50,000,000, and \$234,000,000 for administrative expenses. The administrative expenses appropriation will be trans-

ferred and merged with the sums in the Department's "Salaries and expenses" account and the "Office of the Inspector General" account.

In addition, the Committee directs HUD to continue direct loan programs in 2004 for multifamily bridge loans and single family purchase money mortgages to finance the sale of certain properties owned by the Department. Temporary financing shall be provided for the acquisition and rehabilitation of multifamily projects by purchasers who have obtained commitments for permanent financing from another lender. Purchase money mortgages will enable governmental and nonprofit intermediaries to acquire properties for resale to owner-occupants in areas undergoing revitalization.

The Committee remains concerned that HUD continues to fail to calculate adequately the amount of credit subsidy necessary to support its multifamily mortgage insurance programs.

In addition, the Committee is very concerned about the March 2004 GAO report, "HUD Single-Family and Multifamily Property Programs", which classified \$16,500,000 of payments made to single family property disposition contractors in 2002 and 2003 as questionable, and potentially fraudulent. In some cases lack of oversight resulted in the Department paying contractors for work that was not completed, and in deteriorating property conditions. These deficiencies are not only wasteful, but they contribute to the decline of already unstable neighborhoods. The Committee directs the Department to submit a report by March 1, 2005, that details steps the FHA has taken to respond to the findings by the GAO, as well as steps taken to implement the recommendations of the GAO, including: requiring HUD to monitor contractors' work at prescribed time intervals; establishing new policies for payments to contractors requiring proper documentation of the cost of goods and competitive bids before the work is performed; and pursuing recovery of amounts overpaid. Because the Department currently contracts out the marketing and managing of foreclosed properties to private contractors, the report should also include an evaluation of the pros and cons of moving disposition of single family properties back in house. The report should evaluate the costs and quality of services that could be provided by HUD employees versus contractors.

The Committee also remains concerned over the FHA foreclosure rate, which, according to the most recent KMPG audit, increased by 31 percent last year. The Committee does not believe that HUD is taking all necessary steps to help new homeowners maintain homeownership. The Committee urges the Department to make home inspections mandatory for all FHA-insured properties in revitalization areas, and to mandate homeownership counseling for homebuyers in revitalization areas.

In addition, the Committee has not included the administration proposed FHA Zero Downpayment program where all fees and costs would be rolled into the mortgage as opposed to the current requirement that a homebuyer provide a downpayment equal to 3 percent of the mortgage principal. The Committee believes that this proposal poses substantial financial risks to the FHA Single Family Mortgage Insurance program by assisting high-risk families in purchasing homes where the new homeowners have no stake in

these houses and obviously have no financial cushion to pay for any big ticket costs such as a failed furnace or leaky roof. From a historical perspective, FHA was almost bankrupt in the late 1980s due to defaults from housing families with high-loan-to-value-ratios. Not only did this practice hurt the credit worthiness of these families but, equally troubling, the large number of defaults helped to tip marginal neighborhoods into becoming distressed areas where the FHA foreclosures helped to drive down the value of other housing in these neighborhoods.

More recently, The Fannie Mae Foundation issued a research report, "A Tale of Two Cities: Growing Affordability Problems Amidst Rising Homeownership for Urban Minorities" (June 23, 2004), that uses census data to examine homeownership and affordability trends between 1990 and 2000 for urban minorities. Among a number of findings, the number of African-American homeowners rose by 16 percent between 1990 and 2000 while, at the same time, the number of African-American homeowners who were paying more than half their income for homeownership costs grew by 39 percent. Similarly, homeownership by Latino families grew by 54 percent while there was a 98 percent jump in the number of Latino homeowners with affordability problems.

In addition, there should be concerns about the future actuarial soundness of the FHA Mutual Mortgage Insurance Fund [MMIF]. While the MMIF currently is very well capitalized, an IG audit of the FHA financial statements, dated November 25, 2003, states, in relevant part, that FHA defaults rose from 2.76 percent in fiscal year 1999 to 4.25 percent in fiscal year 2002. More importantly, loans made in 1999 through 2001 contributed to over 50 percent of the total defaults in fiscal year 2002. In addition, claims rose 31 percent in fiscal year 2003 to over 85,000 claims, and FHA paid claims of \$5,500,000,000 in 2002 which rose to \$7,800,000,000 in fiscal year 2003.

Finally, FHA's share of the home purchase loan market fell by 16.5 percent in 2003 after falling by 1.4 percent in 2002 and 1 percent in 2001. In contrast, overall purchase loan originations by loan number went up in each of these years with 2003 being a record year for home sales. This and other data suggest that there is growing deterioration in the credit-quality of the FHA book of business; that FHA is essentially pricing itself into underwriting the highest risk mortgages while the more credit-worthy homebuyers are seeking their financing elsewhere.

## GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE  
PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2004:	
Limitation on guaranteed loans .....	\$200,000,000,000
Administrative expenses .....	10,695,000
Budget estimate, 2005:	
Limitation on guaranteed loans .....	200,000,000,000
Administrative expenses .....	10,986,000
Committee recommendation:	
Limitation on guaranteed loans .....	200,000,000,000
Administrative expenses .....	10,986,000

## PROGRAM DESCRIPTION

The Government National Mortgage Association [GNMA], through the mortgage-backed securities program, guarantees privately issued securities backed by pools of mortgages. GNMA is a wholly owned corporate instrumentality of the United States within the Department. Its powers are prescribed generally by title III of the National Housing Act, as amended. GNMA is authorized by section 306(g) of the act to guarantee the timely payment of principal and interest on securities that are based on and backed by a trust, or pool, composed of mortgages that are guaranteed and insured by the Federal Housing Administration, the Rural Housing Service, or the Department of Veterans Affairs. GNMA's guarantee of mortgage-backed securities is backed by the full faith and credit of the United States.

In accord with the Omnibus Budget Reconciliation Act of 1990 [OBRA] requirements for direct and guaranteed loan programs, the administration is requesting \$10,986,000 for administrative expenses in the mortgage-backed securities program. Amounts to fund this direct appropriation to the "MBS program" account are to be derived from offsetting receipts transferred from the "Mortgage-backed securities financing" account to a Treasury receipt account.

## COMMITTEE RECOMMENDATION

The Committee recommends a limitation on new commitments of mortgage-backed securities of \$200,000,000,000. This amount is the same level as proposed by the budget request. The Committee also has included \$10,986,000 for administrative expenses, the same as the budget request and an increase of \$291,000 above the fiscal year 2004 enacted level.

## POLICY DEVELOPMENT AND RESEARCH

## RESEARCH AND TECHNOLOGY

Appropriations, 2004 .....	\$46,723,000
Budget estimate, 2005 .....	46,700,000
Committee recommendation .....	46,700,000

## PROGRAM DESCRIPTION

Title V of the Housing and Urban Development Act of 1970, as amended, directs the Secretary of the Department of Housing and Urban Development to undertake programs of research, evaluation, and reports relating to the Department's mission and programs. These functions are carried out internally and through grants and contracts with industry, nonprofit research organizations, educational institutions, and through agreements with State and local governments and other Federal agencies. The research programs seek ways to improve the efficiency, effectiveness, and equity of HUD programs and to identify methods to achieve cost reductions. Additionally, this appropriation is used to support HUD evaluation and monitoring activities and to conduct housing surveys.

## COMMITTEE RECOMMENDATION

The Committee recommends \$46,700,000 for research and technology activities in fiscal year 2004. This amount is \$23,000 less than the fiscal year 2004 enacted level and the same as the budget request. Of this funding, \$7,500,000 is for the Partnership for Advancing Technologies in Housing [PATH] program. Language is included to ensure the funding of existing cooperative agreements in both fiscal years 2004 and 2005. The Committee expects the PATH program to continue its cold climate housing research with the Cold Climate Housing Research Center in Fairbanks, Alaska. The Committee also supports the continuing research on promising technologies for the manufactured housing industry.

In addition, because in the past HUD has used this office's broad authority to administer new and unauthorized programs, the Office of Policy Development and Research is denied demonstration authority except where approval is provided by Congress in response to a reprogramming request.

## FAIR HOUSING AND EQUAL OPPORTUNITY

## FAIR HOUSING ACTIVITIES

Appropriations, 2004 .....	\$47,717,000
Budget estimate, 2005 .....	47,700,000
Committee recommendation .....	47,700,000

## PROGRAM DESCRIPTION

The fair housing activities appropriation includes funding for both the Fair Housing Assistance Program [FHAP] and the Fair Housing Initiatives Program [FHIP].

The Fair Housing Assistance Program helps State and local agencies to implement title VIII of the Civil Rights Act of 1968, as amended, which prohibits discrimination in the sale, rental, and financing of housing and in the provision of brokerage services. The major objective of the program is to assure prompt and effective processing of title VIII complaints with appropriate remedies for complaints by State and local fair housing agencies.

The Fair Housing Initiatives Program is authorized by section 561 of the Housing and Community Development Act of 1987, as amended, and by section 905 of the Housing and Community De-

velopment Act of 1992. This initiative is designed to alleviate housing discrimination by increasing support to public and private organizations for the purpose of eliminating or preventing discrimination in housing, and to enhance fair housing opportunities.

COMMITTEE RECOMMENDATION

The Committee recommendation provides \$47,700,000, of which \$27,000,000 is for the fair housing assistance program [FHAP] and no more than \$20,700,000 is for the fair housing initiatives program [FHIP].

The Committee emphasizes that State and local agencies under FHAP should have the primary responsibility for identifying and addressing discrimination in the sale, rental, and financing of housing and in the provision of brokerage services. It is critical that consistent fair housing policies be identified and implemented to insure continuity and fairness, and that States and localities continue to increase their understanding, expertise, and implementation of the law.

The Committee understands that the Department includes as a performance goal adding two new fair housing organizations per year as FHIP grantees, despite a request for level funding of the FHIP program. The Committee is concerned that this approach could lead to a diversion of resources away from experienced practitioners and existing services, and urges the Department to make FHIP awards in a way that maximizes the quality and quantity of fair housing services.

OFFICE OF LEAD HAZARD CONTROL

LEAD HAZARD REDUCTION

Appropriations, 2004 .....	\$173,968,000
Budget estimate, 2005 .....	139,000,000
Committee recommendation .....	175,000,000

PROGRAM DESCRIPTION

Title X of the Housing and Community Development Act of 1992 established the Residential Lead-Based Paint Hazard Reduction Act under which HUD is authorized to make grants to States, localities and native American tribes to conduct lead-based paint hazard reduction and abatement activities in private low-income housing. This has become a significant health hazard, especially for children. According to the Centers for Disease Control and Prevention [CDC], some 434,000 children have elevated blood levels, down from 1.7 million in the late 1980's. Despite this improvement, lead poisoning remains a serious childhood environmental condition, with some 2.2 percent of all children aged 1 to 5 years having elevated blood lead levels. This percentage is much higher for low-income children living in older housing.

COMMITTEE RECOMMENDATION

The Committee recommends \$175,000,000 for lead-based paint hazard reduction and abatement activities for fiscal year 2005. This amount is \$36,000,000 more than the budget request and \$1,032,000 more than the fiscal year 2004 enacted level. Of this

amount, HUD may use up to \$9,500,000 for the Healthy Homes Initiative under which HUD conducts a number of activities designed to identify and address housing-related illnesses.

The Committee recommends \$50,000,000 for the lead hazard reduction demonstration program which was established in fiscal year 2003 to focus on major urban areas where children are disproportionately at risk for lead poisoning.

As previously discussed, there remains significant lead risks in privately-owned housing, particularly in unsubsidized low-income units. For that reason, approximately 1 million children under the age of 6 in the United States suffer from lead poisoning. While lead poisoning crosses all socioeconomic, geographic, and racial boundaries, the burden of this disease falls disproportionately on low-income and minority families. In the United States, children from poor families are eight times more likely to be poisoned than those from higher income families. Nevertheless, the risks associated with lead-based paint hazards can be addressed fully over the next decade.

As noted last year, the urban lead hazard reduction program is designed to target funding to major urban areas where the lead hazard risk for low-income children under the age of 6 is greatest. Qualified applicants are identified by the Secretary as having the highest number of pre-1940 units of rental housing and a disproportionately high number of documented cases of lead-poisoned children. At least 90 percent of funds must be used for abatement and interim control of lead-based paint hazards. Further, the program targets abatement to units that serve low-income families. As a condition of assistance, each applicant shall submit a detailed plan for use of funds that demonstrates sufficient capacity acceptable to the Secretary of Housing and Urban Development. The plans should identify units with the most significant risk, and should include strategies to reduce the risk of lead hazards and to mobilize public and private resources. The Committee fully expects that this program will be administered in a manner consistent with the guidelines and criteria used in the fiscal year 2003 and 2004 funding cycles.

The Committee also encourages HUD to work with grantees on its lead-based paint abatement hazards programs so that information is disclosed to the public on lead hazard abatements, risk assessment data and blood lead levels through publications and internet sites such as [Lead-SafeHomes.info](http://Lead-SafeHomes.info).

The Committee also includes \$5,000,000 in the Neighborhood Initiative program to continue a lead-based paint abatement pilot program in St. Louis to be coordinated by the Grace Hill Neighborhood Health Centers to eliminate the source of lead paint poisoning within the city's large, aging housing stock.

The Committee is concerned over health risks posed by household mold, and encourages the Department to continue initiatives within the Healthy Homes program for testing and evaluating a range of strategies for preventing and controlling moisture, mold and other housing related health hazards. The Committee directs HUD to report to Congress by March 1, 2005 detailing lessons learned and the Department's strategy for disseminating best practices using existing trades and delivery systems to the maximum

extent practical. The Committee further directs HUD to take all necessary steps to ensure that moisture problems are prevented in federally-assisted housing.

HUD's recent report, "Mold and Moisture Problems in Native American Housing on Tribal Lands: A Report to Congress" found that black mold can be found in nearly 15 percent of tribal homes, and, as such, the report should include a discussion of the unique needs of Native American housing, including recommendations for legislation to assist tribes and tribally designated housing entities in developing the capacity to address mold problems, while partnering with Federal, State, and local agencies and organizations. HUD is encouraged to coordinate with the Department of Health and Human Services the Environmental Protection Agency, the Department of the Interior, the Department of Homeland Security, the National American Indian Housing Council, the United National Indian Housing Association, and the National Congress of American Indians on these recommendations.

#### MANAGEMENT AND ADMINISTRATION

##### SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

[In thousands of dollars]

	Appropriation	FHA funds	GNMA funds	CDBG funds	Title VI transfer	Indian housing block grant	Native Hawaiian loan	Total
Appropriations, 2004 .....	543,780	564,000	10,695	1,000	250	150	35	1,119,910
Budget estimate, 2005 .....	591,579	576,000	10,986	.....	250	150	35	1,179,000
Committee recommendation ..	591,579	576,000	10,986	.....	250	150	35	1,179,000

#### PROGRAM DESCRIPTION

The "Salaries and expenses" account finances all salaries and related expenses associated with administering the programs of the Department of Housing and Urban Development. These include the following activities:

*Housing and Mortgage Credit Programs.*—This activity includes staff salaries and related expenses associated with administering housing programs, the implementation of consumer protection activities in the areas of interstate land sales, mobile home construction and safety, and real estate settlement procedures.

*Community Planning and Development Programs.*—Funds in this activity are for staff salaries and expenses necessary to administer community planning and development programs.

*Equal Opportunity and Research Programs.*—This activity includes salaries and related expenses associated with implementing equal opportunity programs in housing and employment as required by law and Executive orders and the administration of research programs and demonstrations.

*Departmental Management, Legal, and Audit Services.*—This activity includes a variety of general functions required for the Department's overall administration and management. These include the Office of the Secretary, Office of General Counsel, Office of

Chief Financial Officer, as well as administrative support in such areas as accounting, personnel management, contracting and procurement, and office services.

*Field Direction and Administration.*—This activity includes salaries and expenses for the regional administrators, area office managers, and their staff who are responsible for the direction, supervision, and performance of the Department's field offices, as well as administrative support in areas such as accounting, personnel management, contracting and procurement, and office services.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,179,000,000 for salaries and expenses. This amount is \$59,097,000 more than the fiscal year 2004 enacted level and the same as the budget request. The appropriation includes the requested amount of \$576,000,000 transferred from various funds from the Federal Housing Administration, \$10,986,000 transferred from the Government National Mortgage Association, \$250,000 from the Indian Housing Loan Guarantee Fund Program, \$150,000 from the Native American Housing Block Grant, and \$35,000 from the Native Hawaiian Housing Program as well as \$1,000,000 from the Community Development Loan Guarantee program, which the administration sought to eliminate.

The Committee remains very concerned over HUD's inability to administer adequately many of its programs, despite significant hiring in the past. This concern is especially evident in the Office of Public and Indian Housing where that office has been unable to review and respond to significant issues regarding the correct payment standard in the Section 8 program for many areas of the Nation. This is creating a crisis of confidence by the public in HUD's ability to administer its very important programs that are often the foundation for the decisionmaking of many communities as to housing and economic redevelopment issues. The Committee directs HUD to report quarterly to the House and Senate Committees on Appropriations on all hiring within the Department, including justifications for any significant increase in FTEs for any particular office or activity.

In addition, the Department is prohibited from employing more than 77 schedule C and 20 noncareer senior executive service employees. The Committee understands that the Department is staffed largely by personnel who are close to retirement and at the top of the civil service pay schedule. The Committee encourages HUD to implement hiring practices that result in the hiring of young professionals who can gain experience and advancement.

The Committee directs the Department to issue quarterly reports on HUD travel to the Senate Committee on Appropriations. These reports shall include a list of all HUD-related trips, the names of all staff on each trip, and all costs, including the individual costs of lodging, food, transportation and any other costs.

OFFICE OF INSPECTOR GENERAL  
(INCLUDING TRANSFER OF FUNDS)

	Appropriation	FHA funds by transfer	Drug elimination grants transfer	Total
Appropriations, 2004 .....	\$76,547,000	\$24,000,000	.....	\$100,547,000
Budget estimate, 2005 .....	77,000,000	24,000,000	.....	101,000,000
Committee recommendation .....	83,500,000	24,000,000	.....	107,500,000

PROGRAM DESCRIPTION

This appropriation will finance all salaries and related expenses associated with the operation of the Office of the Inspector General [OIG].

COMMITTEE RECOMMENDATIONS

The Committee recommends an overall funding level of \$107,500,000 for the Office of Inspector General [OIG]. This amount is \$6,954,000 above the fiscal year 2004 enacted level and \$6,500,000 above the budget request. This funding level includes \$24,000,000 by transfer from various FHA funds. The Committee commends OIG for its commitment and its efforts in reducing waste, fraud and abuse in HUD programs.

WORKING CAPITAL FUND

Appropriations, 2004 .....	\$233,617,000
Budget estimate, 2005 .....	234,000,000
Committee recommendation .....	234,000,000

PROGRAM DESCRIPTION

The working capital fund, authorized by the Department of Housing and Urban Development Act of 1965, finances information technology and office automation initiatives on a centralized basis.

COMMITTEE RECOMMENDATION

The Committee recommends \$234,000,000 for the working capital fund for fiscal year 2005. These funds are the same as the budget request and \$383,000 above the fiscal year 2004 level.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2004 .....	\$39,680,000
Budget estimate, 2005 .....	59,208,753
Committee recommendation .....	59,208,753

PROGRAM DESCRIPTION

This appropriation funds the Office of Federal Housing Enterprise Oversight [OFHEO], which was established in 1992 to regulate the financial safety and soundness of the two housing Government sponsored enterprises [GSE's], the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. The

Office was authorized in the Federal Housing Enterprise Safety and Soundness Act of 1992, which also instituted a three-part capital standard for the GSE's, and gave the regulator enhanced authority to enforce those standards.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$59,208,753 for the Office of Federal Housing Enterprise Oversight, which is the same as the budget request and \$19,528,753 more than the fiscal year 2004 enacted level.

The Committee remains very concerned regarding the competency of this office to provide the necessary financial oversight of Fannie Mae and Freddie Mac. While the Committee believes a new regulatory entity will be more effective than OFHEO in providing financial oversight of these government-sponsored entities [GSEs], the Committee is more concerned that a lack of leadership and qualified staffing is at the heart of OFHEO's inability to be an effective regulator. Since responsibility must begin with leadership, the Committee is holding back \$10,000,000 until a new director is nominated and confirmed.

#### ADMINISTRATIVE PROVISIONS

The Committee recommends 29 administrative provisions. A brief description follows.

SEC. 201. Promotes the refinancing of certain housing bonds.

SEC. 202. Clarifies a limitation on use of funds under the Fair Housing Act.

SEC. 203. Clarifies the allocation of HOPWA funding for fiscal year 2005.

SEC. 204. Clarifies housing issue in Michigan.

SEC. 205. Requires HUD to award funds on a competitive basis unless otherwise provided.

SEC. 206. Allows funds to be used to reimburse GSEs and other Federal entities for various administrative expenses.

SEC. 207. Limits HUD spending to amounts set out in the budget justification.

SEC. 208. Clarifies expenditure authority for entities subject to the Government Corporation Control Act.

SEC. 209. Requires HUD to submit certain additional information as part of its annual budget justifications.

SEC. 210. Exempts Alaska, Iowa, and Mississippi from the requirement of having a PHA resident on the board of directors for fiscal year 2005. Instead, the public housing agencies in these States are required to establish advisory boards that include public housing tenants and section 8 recipients.

SEC. 211. Requires quarterly reports on all uncommitted, unobligated and excess funds associated with HUD programs.

SEC. 212. Requires HUD to maintain section 8 assistance on HUD-held or owned multifamily housing.

SEC. 213. Requires HUD to report on the number of units being assisted under section 8 and the per unit cost of these units.

SEC. 214. Provides correction to HOPWA funding for certain States.

SEC. 215. Clarifies insurance requirements for existing health care facilities.

SEC. 216. Makes technical correction to the 1992 Housing Act.

SEC. 217. Clarifies HUD's multifamily housing enforcement authority.

SEC. 218. Clarifies HUD enforcement authority.

SEC. 219. Provides flexibility for ACA agreements.

SEC. 220. Technical correction for HUD mortgage insurance authority.

SEC. 221. Limits FHA payment of refunds.

SEC. 222. Corrects funding problem for PATH initiative.

SEC. 223. Technical fix for Section 202 and Section 811 housing.

SEC. 224. Prohibition on using Federal housing funds for political purposes.

SEC. 225. Reforms certain section 8 rent calculations.

SEC. 226. Provides allocation requirements for Native Alaskans under the Native American Indian Housing Block Grant program.

SEC. 227. Allows HUD to pay for the costs of HUD-owned and HUD-held Section 202 and Section 811 housing.

SEC. 228. Allows public housing agencies in tight rental markets to use up to 50 percent of their section 8 assistance for project-based assistance.

TITLE III—INDEPENDENT AGENCIES  
 AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

Appropriations, 2004 .....	\$41,056,000
Budget estimate, 2005 .....	41,100,000
Committee recommendation .....	46,100,000

PROGRAM DESCRIPTION

The American Battle Monuments Commission [ABMC] is responsible for the maintenance and construction of U.S. monuments and memorials commemorating our Armed Forces where they have served since April 1917 (the date of U.S. entry into World War I); for controlling the erection of monuments and markers by U.S. citizens and organizations in foreign countries; and for the design, construction, and maintenance of permanent military cemetery memorials in foreign countries. The Commission maintains 24 military memorial cemeteries and 25 monuments, memorials, and markers, in 15 countries around the world, including three memorials on U.S. soil. It is presently charged with erecting an Interpretive Center at the Normandy American Cemetery, Normandy, France.

COMMITTEE RECOMMENDATION

The Committee recommends \$46,100,000 for the American Battle Monuments Commission. This amount is \$5,000,000 above the budget request and \$5,044,000 above the fiscal year 2004 enacted level. Within this amount, the Committee has provided the budget request of \$9,100,000 to complete the Normandy Interpretive Center.

The Committee has provided additional funds due to unanticipated currency fluctuation between the U.S. dollar and the euro. Due to a weakening U.S. dollar, the ABMC is projecting a significant shortfall in funding to meet the operating needs of its sites in Europe. The Committee is troubled that the Administration has yet to submit a budget amendment to address this deficiency. Further, the Committee understands that the funding deficiency may be even higher depending on the markets. Accordingly, the Committee directs the Commission to improve its monitoring of its foreign currency fluctuation account and include in its fiscal year 2006 budget justifications a complete analysis of the account and its needs.

## CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

## SALARIES AND EXPENSES

Appropriations, 2004 .....	\$8,648,000
Budget estimate, 2005 .....	9,016,000
Committee recommendation .....	9,000,000

## PROGRAM DESCRIPTION

The Chemical Safety and Hazard Investigation Board was authorized by the Clean Air Act Amendments of 1990 to investigate accidental releases of certain chemical substances resulting in, or that may cause, serious injury, death, substantial property damage, or serious adverse effects on human health. It became operational in fiscal year 1998.

## COMMITTEE RECOMMENDATION

The Committee recommends \$9,000,000 for the Chemical Safety and Hazard Investigation Board (Board) which is \$352,000 more than the fiscal year 2004 funding level and \$16,000 less than the fiscal year 2005 budget request. The Board's made an independent budget request for fiscal year 2005 of \$9,451,000 with an additional \$400,000 for its Emergency Fund. Instead of maintaining a separate Emergency Fund, \$400,000 of the \$9,000,000 is reserved as an emergency fund for accident investigations that have not been planned for by the Board in its fiscal year 2005 budget plan.

The Committee directs the Board to submit a report to the Committee by April 20, 2005 that identifies its working relationship and responsibilities with regard to other Federal agencies that have a responsibility to protect public health and safety, including the Department of Homeland Security, the Environmental Protection Agency, the National Transportation Safety Board and the Occupational Safety and Health Administration.

The Committee has again included bill language limiting the number of career senior executive service positions to three and bill language identifying the EPA Inspector General as the Inspector General for the Board.

## DEPARTMENT OF THE TREASURY

## COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM  
ACCOUNT

Appropriations, 2004 .....	\$60,640,000
Budget estimate, 2005 .....	48,403,000
Committee recommendation .....	55,000,000

## PROGRAM DESCRIPTION

The Community Development Financial Institutions Fund makes investments in the form of grants, loans, equity investments, deposits, and technical assistance grants to new and existing community development financial institutions [CDFIs], through the CDFI program. CDFIs include community development banks, credit unions, venture capital funds, revolving loan funds, and microloan

funds, among others. Recipient institutions engage in lending and investment for affordable housing, small business and community development within underserved communities. The CDFI Fund administers the Bank Enterprise Award [BEA] Program, which provides a financial incentive to insured depository institutions to undertake community development finance activities. The CDFI Fund also administers the New Markets Tax Credit Program, a newly created program that will provide an incentive to investors in the form of a tax credit, which is expected to stimulate private community and economic development activities.

COMMITTEE RECOMMENDATION

The Committee recommends \$55,000,000 for the CDFI Fund, which is \$5,640,000 below the fiscal year 2004 enacted level and \$6,597,000 above the administration's request. The Committee is disappointed with the Administration's proposed reductions to CDFI and BEA. Both are important programs and play an important role in underserved communities. The Committee expects the BEA program to be funded at the fiscal year 2004 level.

The Committee also recommends a set-aside of \$4,000,000 for grants, loans, and technical assistance and training programs to benefit Native American, Alaskan Natives, and Native Hawaiian communities in the coordination of development strategies, increased access to equity investments, and loans for development activities. This amount is the same as the fiscal year 2004 enacted level.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

Appropriations, 2004 .....	\$59,647,000
Budget estimate, 2005 .....	62,650,000
Committee recommendation .....	62,650,000

PROGRAM DESCRIPTION

The Commission is an independent regulatory agency that was established on May 14, 1973, and is responsible for protecting the public against unreasonable risks of injury from consumer products; assisting consumers to evaluate the comparative safety of consumer products; developing uniform safety standards for consumer products and minimizing conflicting State and local regulations; and promoting research and investigation into the causes and prevention of product-related deaths, illnesses, and injuries.

In carrying out its mandate, the Commission establishes mandatory product safety standards, where appropriate, to reduce the unreasonable risk of injury to consumers from consumer products; helps industry develop voluntary safety standards; bans unsafe products if it finds that a safety standard is not feasible; monitors recalls of defective products; informs and educates consumers about product hazards; conducts research and develops test methods; collects and publishes injury and hazard data, and promotes uniform product regulations by governmental units.

## COMMITTEE RECOMMENDATION

The Committee recommends \$62,650,000 for the Consumer Product Safety Commission, equal to the budget request and an increase of \$3,004,000 above the fiscal year 2004 enacted level.

## CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Appropriations, 2004 .....	\$581,035,000
Budget estimate, 2005 .....	642,232,000
Committee recommendation .....	590,061,000

## PROGRAM DESCRIPTION

The Corporation for National and Community Service, a Corporation owned by the Federal Government, was established by the National and Community Service Trust Act of 1993 (Public Law 103-82) to enhance opportunities for national and community service and provide national service education awards. The Corporation makes grants to States, institutions of higher education, public and private nonprofit organizations, and others to create service opportunities for a wide variety of individuals such as students, out-of-school youth, and adults through innovative, full- and part-time national and community service programs. National service participants may receive education awards which may be used for full-time or part-time higher education, vocational education, job training, or school-to-work programs.

The Corporation is governed by a Board of Directors and headed by the Chief Executive Officer. Board members, the Chief Executive Officer, and the Chief Financial Officer are appointed by the President of the United States and confirmed by the Senate.

## COMMITTEE RECOMMENDATION

The Committee recommends \$590,061,000 for the Corporation for National and Community Service, an increase of \$9,034,000 over the fiscal year 2004 enacted level and \$52,171,000 below the budget request.

In addition to the normal operating plan requirements as directed in this report, the Committee directs the Corporation to notify the Chair of the Committee prior to each reprogramming of funds in excess of \$100,000 between programs, activities, or elements.

## NATIONAL AND COMMUNITY SERVICE PROGRAMS

## OPERATING EXPENSES

## (INCLUDING TRANSFER OF FUNDS)

Appropriations, 2004 .....	\$549,969,000
Budget estimate, 2005 <sup>1</sup> .....	636,232,000
Committee recommendation .....	558,311,000

<sup>1</sup> Includes \$28,894,000 for salaries and expenses.

## PROGRAM DESCRIPTION

The National and Community Service programs operating expenses account funds all programs and activities authorized by the

National and Community Service Act of 1993. This account covers two of the three main components to the AmeriCorps program (the AmeriCorps State and National, and AmeriCorps National Civilian Community Corps [NCCC]); Learn and Serve; Innovation, Demonstration, and Assistance activities (authorized under subtitle H); program administration for State commissions; audits and evaluations; and the Points of Light Foundation. Funding for AmeriCorps supports member living allowances and education benefits. Education benefits are deposited into the National Service Trust, which provides a secure repository for education awards earned by eligible AmeriCorps members who successfully complete a term of service.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$558,311,000 for the Corporation's programs operating expenses. This appropriation provides \$291,933,000 for AmeriCorps State and National operating grants (not including NCCC); \$150,500,000 for the National Service Trust; \$43,000,000 for Learn and Serve; \$26,000,000 for AmeriCorps NCCC; \$16,328,000 for subtitle H fund activities; \$12,000,000 for State administrative expenses; \$3,550,000 for audits and evaluations; \$10,000,000 for the Points of Light Foundation; and \$5,000,000 for America's Promise.

*AmeriCorps.*—The Committee recommends \$291,933,000 for AmeriCorps grants, National Direct and State funds. This amount is equal to the budget request and \$20,214,000 below the fiscal year 2004 enacted level. The Committee's recommended funding level will support up to 75,000 new full-time equivalent volunteers for the AmeriCorps program. Within the amount provided for AmeriCorps grants, the Committee is providing \$55,000,000 for national direct grantees.

The Committee directs the Corporation to continue providing monthly reports to the Committees on Appropriations and the Corporation's Inspector General on the actual and projected year-end level of AmeriCorps membership enrollment, usage, and earnings, and the financial status of the Trust fund (revenue, expenses, outstanding liabilities, reserve, etc.). Further, the Committee directs the Chief Executive Officer, the Director of AmeriCorps, and the Chief Financial Officer to certify that the information in these reports is accurate and independently verified. If the year-end projections are expected to exceed the levels that can be supported financially by the Corporation, the Committee expects the Corporation to take immediate corrective actions and notify the Committee.

The Committee appreciates the Corporation's recent efforts through rulemaking to address grantee reliance on Federal funding and to develop a definition of sustainability. Reducing grantee reliance on Federal funding or sustainability has been a long-standing concern of the Committee and believes that a sensible, flexible approach is needed. Specifically, the Committee rejects a "one-size-fits-all" approach and believes that in addressing this issue, the Corporation should use a performance-based method so that well-performing organizations are not unduly punished. Moreover, the Corporation should not continue to reward poor performing grantees. Further, the Committee is aware that some AmeriCorps grant-

ees receive substantial funding from multiple Federal sources. For example, some grantees receive substantial funding from both the Corporation and the Department of Housing and Urban Development. The Corporation should be mindful of this fact when addressing sustainability to ensure that there is a level playing field of competition for worthy and new developing organizations, such as those currently funded under the Corporation's Next Generation program.

Given the fact that there are clearly not enough funds to meet the current and future demands of the AmeriCorps program, the Corporation must develop a fair and rationale set of rules so that new organizations are allowed to compete and receive funding. The Corporation should assess the possibility of having certain programs "graduate" after a number of years. To keep the Committee better informed of the recipients receiving AmeriCorps funding, the Committee directs the Corporation to publish in its fiscal year 2005 budget justifications a list of recipients that have received more than \$500,000 from the Corporation, delineated by program, and the amount and source of both other Federal and non-Federal funds that received by each recipient.

The Committee strongly encourages the Corporation to support volunteers or organizations that mobilize unpaid volunteers for community activities. In other words, by moving away from "retail" activities to "wholesale" activities, the Corporation could expand its reach to more citizens who wish to respond to the call to service. The Corporation should consider this issue in considering grant applications.

Within the amount provided, the Committee directs the Corporation to continue at least the current level of support for programs designed to help teach children to read by the third grade and for activities dedicated to developing computer and information technology skills for students and teachers in low-income communities. Further, the Committee directs the Corporation to support activities designed to assist the needs of veterans, especially homeless veterans.

Under current law, an individual can serve as an AmeriCorps volunteer in an approved national service program, earning education awards and stipends, for a maximum of two terms of service. A term of service may be full-time (1,700 hours over a 9–12 month period), part-time (900 hours over a period of up to 2 years), reduced half-time (675 hours of service), quarter-time (450 hours of service), or minimum-time (350 hours of service). The two term limitation applies whether a volunteer's terms of service are full-time, part-time, or less than part-time.

The Committee is aware of and sympathetic to concerns that the two term of service limit prevents older American volunteers from continuing to serve their communities for longer than two terms, and reduces the availability of volunteers for important community programs. The Committee, therefore, directs the Corporation to report by December 31, 2004, on the impacts of this policy on volunteer programs for older Americans. The Corporation should seek input from organizations and communities that utilize older American volunteers, such as Experience Corps. The Corporation's report should include findings on how the two term of service limit

affects both older American volunteers and the communities in which they serve. The report should also include recommendations for any legislative changes that might be warranted to ensure that communities can continue to harvest, to the maximum extent possible, the skills and talents of older Americans who want to volunteer.

*National Service Trust.*—The Committee recommends \$150,500,000 for the National Service Trust, of which \$4,000,000 is to support national service scholarships (“President’s Freedom Scholarships”) for high school students and of which \$13,315,000 is for the Trust’s reserve fund, as established under the Strengthen AmeriCorps Program Act of 2003. This level is \$9,800,000 below the budget request because the Committee did not agree to fund the proposed new Silver Scholarships program. This program is duplicative of the Corporation’s Senior Corps activities funded under the Labor-HHS appropriations bill and in an era of budget constraints, the Committee does not feel that this new program is warranted.

*Subtitle H.*—The Committee recommends \$16,328,000 for innovation, demonstration, and assistance activities funded under subtitle H of the National and Community Service Act. Within this amount, the Committee recommends \$6,000,000 for challenge grants; \$2,000,000 for next generation grants; \$600,000 for Martin Luther King Jr. Day grants; \$725,000 for Service Learning Clearinghouse and Exchange; \$120,000 for unified State plans; \$2,000,000 for training and technical assistance; and \$4,883,000 for disability programs. The Committee has not funded activities that serve other Federal agencies and offices. The Committee expects the Administration to fund those activities from the relevant agencies and offices and establish appropriate transfer authority in cases where the Corporation is administering programs on the agency’s behalf.

The Committee remains strongly committed to the challenge grants program due to its success in leveraging private matching funds. In fiscal year 2003, the Corporation received 52 applicants requesting \$31,000,000 out of an available pool of \$6,000,000. Thirty-one of the applicants were new to the Corporation. The Committee directs the Corporation to comply with the challenge grant funding requirements established under the conference report accompanying the Consolidated Appropriations Resolution, 2003.

*AmeriCorps NCCC.*—The Committee recommends \$26,000,000 for the AmeriCorps National Civilian Community Corps [NCCC]. This amount is \$1,147,000 above the fiscal year 2004 enacted level and \$1,027,000 below the budget request. Due to budget constraints, the Committee was unable to fund fully the Administration’s full budget request for NCCC’s capital improvements. However, the additional funds provided by the Committee should be used as a downpayment that will allow the Corporation to begin addressing its NCCC capital needs in fiscal year 2005. The Committee is also concerned about the current geographic distribution of its existing campuses due to the lack of a NCCC presence in the Midwest part of the country. Accordingly, the Committee directs the Corporation to re-examine the location of its current campuses and develop a plan that would improve the NCCC’s ability to meet

the Nation’s disaster and public safety needs. This report should be submitted to the Committee by no later than March 1, 2005.

*Learn and Serve.*—The Committee recommends \$43,000,000 for school-based and community-based service learning programs. This is the same funding level as provided in fiscal year 2004.

*State Administration.*—The Committee recommends \$12,000,000 for State commission administrative expenses. This is the same funding level as provided in fiscal year 2004. The Committee directs the Corporation to address immediately the management problems identified by the Office of Inspector General. The Committee strongly urges the Corporation to withhold additional grant awards to those State commissions that have not taken corrective actions in response to the OIG audits.

*Audits and Evaluations.*—The Committee recommends \$3,550,000 for audits and evaluations. Of the funds provided for audits and evaluations, the Committee has provided the budget requested amounts of \$1,200,000 for national performance measures; \$1,000,000 for a longitudinal study of AmeriCorps volunteers; \$100,000 for the Corporation’s national partners; \$150,000 for data archives; \$150,000 for indicator archives; and \$450,000 for a capacity study. In addition, the Committee has allocated an additional \$500,000 for a contract initiated in fiscal year 2004 with the National Academy of Public Administration [NAPA] to conduct a comprehensive review of the leadership, operations and management of the Corporation.

*Points of Light.*—The Committee recommends \$10,000,000 for the Points of Light Foundation. Of the amounts provided, the Foundation may set-aside \$2,500,000 for its endowment fund.

*America’s Promise.*—The Committee recommends \$5,000,000 for America’s Promise.

SALARIES AND EXPENSES

Appropriations, 2004 .....	\$24,853,000
Budget estimate, 2005 <sup>1</sup> .....	
Committee recommendation .....	25,500,000

<sup>1</sup> These funds were included under the program account.

PROGRAM DESCRIPTION

The salaries and expenses appropriation provides funds for staff salaries, benefits, travel, training, rent, advisory and assistance services, communications and utilities expenses, supplies, equipment, and other operating expenses necessary for management of the Corporation’s activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$25,500,000 for the Corporation’s salaries and expenses. The Committee reiterates the directive under the program account that the Corporation must fund all staffing needs from the salaries and expenses account. Under this account, the Committee has provided \$18,350,000 for salaries and benefits, \$650,000 for travel, \$2,700,000 for technology, \$2,000,000 for other administrative expenses (rent, supplies, equipment, etc.), and \$1,800,000 for the Office of Chief Financial Officer for purposes of addressing the Corporation’s man-

agement problems, especially grantee management and monitoring. The Committee has provided additional funds for salaries and benefits to fund expected pay parity requirements. The Committee's recommendation does not include the additional \$2,247,000 requested for various public affairs activities.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2004 .....	\$6,213,000
Budget estimate, 2005 .....	6,000,000
Committee recommendation .....	6,250,000

PROGRAM DESCRIPTION

The Office of Inspector General within the Corporation for National and Community Service is authorized by the Inspector General Act of 1978, as amended. The goals of the Office are to increase organizational efficiency and effectiveness and to prevent fraud, waste, and abuse. The Office of Inspector General within the Corporation for National and Community Service was transferred to the Corporation from the former ACTION agency when ACTION was abolished and merged into the Corporation in April 1994.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$6,250,000 for the Office of Inspector General [OIG]. This amount is \$250,000 above the budget request and \$37,000 above the fiscal year 2004 enacted level. The Committee is providing additional funds to support the OIG's review and audit of the Corporation's grant management and oversight activities, given the substantial growth in AmeriCorps program funding.

The Committee directs the OIG to continue reviewing the Corporation's management of the National Service Trust fund. The Committee directs the OIG to review the monthly Trust reports and to notify the Committees on Appropriations on the accuracy of the reports.

ADMINISTRATIVE PROVISIONS

The Committee has included four administrative provisions carried in prior year appropriations acts.

U.S. COURT OF APPEALS FOR VETERANS CLAIMS

SALARIES AND EXPENSES

Appropriations, 2004 .....	\$15,844,000
Budget estimate, 2005 .....	17,623,000
Committee recommendation .....	17,623,000

PROGRAM DESCRIPTION

The Court of Appeals for Veterans Claims was established by the Veterans' Judicial Review Act. The court is an independent judicial tribunal with exclusive jurisdiction to review decisions of the Board of Veterans' Appeals. It has the authority to decide all relevant questions of law; interpret constitutional, statutory, and regulatory provisions; and determine the meaning or applicability of the terms

of an action by the Department of Veterans Affairs. It is authorized to compel action by the Department unlawfully withheld or unreasonably delayed. It is authorized to hold unconstitutional or otherwise unlawful and set-aside decisions, findings, conclusions, rules and regulations issued or adopted by the Department of Veterans Affairs or the Board of Veterans' Appeals.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$17,623,000 for the Court of Appeals for Veterans claims, an increase of \$1,779,000 above the fiscal year 2004 enacted level.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

Appropriations, 2004 .....	\$28,829,000
Budget estimate, 2005 .....	29,600,000
Committee recommendation .....	29,600,000

PROGRAM DESCRIPTION

The Secretary of the Army is responsible for the administration, operation and maintenance of Arlington National Cemetery and the Soldiers' and Airmen's Home National Cemetery. At the close of fiscal year 2003, the remains of 302,054 persons were interred/inurned in these cemeteries. There were 3,903 interments and 2,342 inurnments in fiscal year 2003. It is projected that there will be 3,925 interments and 2,775 inurnments in fiscal year 2004. In addition to its principal function as a national cemetery, Arlington is the site of approximately 3,100 nonfuneral ceremonies each year and has approximately 4 million visitors annually.

COMMITTEE RECOMMENDATION

The Committee recommends \$29,600,000 for the Army's cemeterial expenses. This amount is equal to the budget request and \$771,000 above the fiscal year 2004 enacted level. The Committee has provided these funds to accelerate Arlington Cemetery's data automation project, to address the Cemetery's distressed headstones, and to continue developing phase II of project 90.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

NATIONAL INSTITUTES OF HEALTH

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

Appropriations, 2004 .....	\$78,310,000
Budget estimate, 2005 .....	80,486,000
Committee recommendation .....	80,486,000

PROGRAM DESCRIPTION

The National Institute of Environmental Health Sciences, an agency within the National Institutes of Health, was authorized in section 311(a) of the Comprehensive Environmental Response,

Compensation, and Liability Act of 1980, as amended, to conduct multidisciplinary research and training activities associated with the Nation's Hazardous Substance Superfund program, and in section 126(g) of the Superfund Amendments and Reauthorizations Act of 1986, to conduct training and education of workers who are or may be engaged in activities related to hazardous waste removal or containment or emergency response.

COMMITTEE RECOMMENDATION

The Committee recommends \$80,486,000 for the National Institute of Environmental Health Sciences, [NIEHS] which is the same as the budget request and \$2,176,000 above the fiscal year 2005 enacted level.

The Committee directs the NIEHS to submit a report to the Committee by April 20, 2005 that identifies its working relationship and responsibilities with regard to other Federal agencies that have a responsibility to protect public health and safety, including the Department of Homeland Security, the Environmental Protection Agency, the National Transportation Safety Board, the Chemical Safety and Hazard Investigation Board and the Occupational Safety and Health Administration.

AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY

TOXIC SUBSTANCES AND ENVIRONMENTAL PUBLIC HEALTH

Appropriations, 2004 .....	\$73,034,000
Budget estimate, 2005 .....	76,654,000
Committee recommendation .....	76,654,000

PROGRAM DESCRIPTION

The Agency for Toxic Substances and Disease Registry [ATSDR], an agency of the Public Health Service, was created in section 104(i) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. The ATSDR's primary mission is to conduct surveys and screening programs to determine relationships between exposure to toxic substances and illness. Other activities include the maintenance and annual update of a list of hazardous substances most commonly found at Superfund sites, the preparation of toxicological profiles on each such hazardous substance, consultations on health issues relating to exposure to hazardous or toxic substances, and the development and implementation of certain research activities related to ATSDR's mission.

COMMITTEE RECOMMENDATION

The Committee recommends \$76,654,000 for the Agency for Toxic Substances and Disease Registry [ATSDR], which is the same as the budget request and \$3,620,000 above the fiscal year 2004 enacted level. The ATSDR is directed to continue to assess the level of lead poisoning of families, especially children, at the Tar Creek Superfund site in Oklahoma and at Herculaneum, Missouri.

## ENVIRONMENTAL PROTECTION AGENCY

Appropriations, 2004 .....	\$8,365,420,000
Budget estimate, 2005 .....	7,759,244,000
Committee recommendation .....	8,500,408,000

## PROGRAM DESCRIPTION

The Environmental Protection Agency [EPA] was created through Executive Reorganization Plan No. 3 of 1970 designed to consolidate certain Federal Government environmental activities into a single agency. The plan was submitted by the President to the Congress on July 8, 1970, and the Agency was established as an independent agency in the executive branch on December 2, 1970, by consolidating 15 components from 5 departments and independent agencies.

A description of EPA's pollution control programs by media follows:

*Air.*—The Clean Air Act Amendments of 1990 authorize a national program of air pollution research, regulation, prevention, and enforcement activities.

*Water Quality.*—The Federal Water Pollution Control Act, as amended, provides the framework for protection of the Nation's surface waters. The law recognizes that it is the primary responsibility of the States to prevent, reduce, and eliminate water pollution. The States determine the desired uses for their waters, set standards, identify current uses and, where uses are being impaired or threatened, develop plans for the protection or restoration of the designated use. They implement the plans through control programs such as permitting and enforcement, construction of municipal waste water treatment works, and nonpoint source control practices. The CWA also regulates discharge of dredge or fill material into waters of the United States, including wetlands.

*Drinking Water.*—The Safe Drinking Water Act of 1974, as amended in 1996, charges EPA with the responsibility of implementing a program to assure that the Nation's public drinking water supplies are free of contamination that may pose a human health risk, and to protect and prevent the endangerment of ground water resources which serve as drinking water supplies.

*Hazardous Waste.*—The Resource Conservation and Recovery Act of 1976 mandated EPA to develop a regulatory program to protect human health and the environment from improper hazardous waste disposal practices. The RCRA Program manages hazardous wastes from generation through disposal.

EPA's responsibilities and authorities to manage hazardous waste were greatly expanded under the Hazardous and Solid Waste Amendments of 1984. Not only did the regulated universe of wastes and facilities dealing with hazardous waste increase significantly, but past mismanagement practices, in particular prior releases at inactive hazardous and solid waste management units, were to be identified and corrective action taken. The 1984 amendments also authorized a regulatory and implementation program directed to owners and operators of underground storage tanks.

*Pesticides.*—The objective of the Pesticide Program is to protect the public health and the environment from unreasonable risks while permitting the use of necessary pest control approaches. This

objective is pursued by EPA under the Food Quality Protection Act, the Federal Insecticide, Fungicide, and Rodenticide Act and the Federal Food, Drug, and Cosmetic Act and the Pesticide Registration Improvement Act of 2003 through three principal means: (1) review of existing and new pesticide products; (2) enforcement of pesticide use rules; and (3) research and development to reinforce the ability to evaluate the risks and benefits of pesticides.

*Radiation.*—The radiation program’s major emphasis is to minimize the exposure of persons to ionizing radiation, whether from naturally occurring sources, from medical or industrial applications, nuclear power sources, or weapons development.

*Toxic Substances.*—The Toxic Substances Control Act establishes a program to stimulate the development of adequate data on the effects of chemical substances on health and the environment, and institute control action for those chemicals which present an unreasonable risk of injury to health or the environment. The act’s coverage affects more than 60,000 chemicals currently in commerce, and all new chemicals.

*Multimedia.*—Multimedia activities are designed to support programs where the problems, tools, and results are cross media and must be integrated to effect results. This integrated program encompasses the Agency’s research, enforcement, and abatement activities.

*Superfund.*—The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 established a national program to protect public health and the environment from the threats posed by inactive hazardous waste sites and uncontrolled spills of hazardous substances. The original statute was amended by the Superfund Amendments and Reauthorization Act of 1986. Under these authorities, EPA manages a hazardous waste site cleanup program including emergency response and long-term remediation.

*Brownfields.*—The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 as amended by the Small Business Liability Relief and Brownfields Revitalization Act of 2002 establishes a national program to assess, cleanup, and provide support to States, Tribes, local communities and other stakeholders to work together to reuse Brownfields.

*Leaking Underground Storage Tanks.*—The Superfund Amendments and Reauthorization Act of 1986 established the leaking underground storage tank [LUST] trust fund to conduct corrective actions for releases from leaking underground storage tanks that contain petroleum or other hazardous substances. EPA implements the LUST response program primarily through cooperative agreements with the States.

#### COMMITTEE RECOMMENDATION

The Committee recommends a total of \$8,500,408,000 for EPA. This is an increase of \$711,163,000 above the budget request and an increase of \$134,591,000 above the fiscal year 2004 enacted level.

The Agency is directed to notify the Committee prior to each reprogramming in excess of \$500,000 between objectives, when those reprogrammings are for different purposes. The exceptions to this limitation are as follows: (1) for the “Environmental Programs and

Management” account, Committee notification is required at \$500,000; Committee approval is required only above \$1,000,000; (2) for the “State and Tribal Assistance Grants” account, reprogramming of performance partnership grant funds is exempt from this limitation; and (3) for the “State and Tribal Assistance Grants” account, movement between wastewater and drinking water objectives for the STAG special project funds is exempt from the reprogramming limitation.

Each year approximately one-half of the EPA annual budget is distributed in grants and cooperative agreements to recipients to implement the program office’s objectives. The Committee is aware of EPA’s steps to institute a policy to mandate formal competition and policy to require measurable environmental outcomes from those grants along with increased personnel and recipient oversight. The Committee recommends consistent reporting on the progress of those reforms to both the authorizing and appropriations committees, requiring all grants recipients to articulate environmental outcomes from projects before receiving grant funding, and increased attention by the highest levels of administration within EPA and its program offices to establish a consistent and transparent system of awarding and monitoring grants.

The Committee directs EPA to round all programs to the nearest thousand dollar and requests that the budget submission for fiscal year 2006 propose funding at no less than the nearest thousand dollar.

SCIENCE AND TECHNOLOGY

Appropriations, 2004 .....	\$781,684,000
Budget estimate, 2005 .....	689,185,000
Committee recommendation .....	758,179,000

PROGRAM DESCRIPTION

EPA’s “Science and technology” account provides funding for the scientific knowledge and tools necessary to support decisions on preventing, regulating, and abating environmental pollution and to advance the base of understanding on environmental sciences. These efforts are conducted through contracts, grants, and cooperative agreements with universities, industries, other private commercial firms, nonprofit organizations, State and local government, and Federal agencies, as well as through work performed at EPA’s laboratories and various field stations and field offices. In addition, Hazardous Substance Superfund Trust Fund resources are transferred to this account directly from the Hazardous Substance Superfund.

COMMITTEE RECOMMENDATION

The Committee recommends \$758,179,000 for science and technology, \$68,994,000 above the budget request and \$23,505,000 below the fiscal year 2004 enacted level. In addition, the Committee recommends the transfer of \$36,097,000 from the Superfund account, for a total of \$794,276,000 for science and technology.

The Committee recommends the transfer of \$36,097,000 to “Science and Technology” from the “Hazardous Substance Superfund” account for ongoing research activities in a manner con-

sistent with the intent of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

The Committee recommends the following changes to the budget request:

\$9,000,000 for the Clean Air Allowance Trading program, which is \$4,367,000 above the 2004 level;

\$63,000,000 for Federal Vehicle and Fuels Standards and Certification, which is \$5,125,000 above the 2004 level;

\$2,265,000 for the Registration of New Pesticides, which is equal to the 2004 level;

\$2,370,000 for the Review and Re-registration of Existing Pesticides, which is equal to the 2004 level;

\$17,000,000 for Air Toxics, which is \$148,000 above the 2004 level;

\$10,000,000 for Endocrine Disruptor, which is \$1,956,000 above the budget request;

\$170,000,000 for Human Health and Ecosystems, which is \$7,408,000 below the budget request;

\$9,000,000 for Land Protection and Restoration, which is \$158,000 above the budget request;

\$62,000,000 for Particulate Matter, which is \$3,356,000 above the 2004 level;

\$4,000,000 for Troposphere Ozone, which is \$901,000 below the budget request;

\$11,805,000 for Computational Toxicology, which is equal to the 2004 level;

\$8,000,000 for Fellowships, which is \$1,599,000 above the 2004 level;

\$20,000,000 for Global Change, which is \$690,000 below the budget request;

\$10,000,000 for innovative approaches to the removal/reduction of arsenic in water systems.

The Committee has not provided funding for the following programs in this account: Radon/Indoor Air program; the Schools and Workplace/Indoor Air program; and, the TRI/Right to Know program.

In addition, the Committee recommends the following increases to the budget request:

\$3,600,000 for the American Water Works Association Research Foundation;

\$3,600,000 for the Water Environment Research Foundation;

\$500,000 for the Consortium for Plant Biotechnology Research;

\$500,000 for the New England Green Chemistry Consortium;

\$500,000 for Utah State University to continue monitoring and assessment activities related to freshwater ecosystems;

\$2,100,000 for the Mine Waste Technology program at the National Environmental Waste Technology, Testing, and Evaluation Center;

\$400,000 to enhance and improve EPA's Tribal Portal program, and to implement this program on a nationwide basis;

\$750,000 for the Environmental Lung Disease Center at the National Jewish Medical Center;

\$500,000 for the University of Maine-Orono to develop Source Water Warning and Analysis Technology;

\$1,500,000 for Boise State University to continue research on multi-purpose sensors to detect and analyze contaminants and time-lapse imaging of shallow subsurface fluid flow;

\$500,000 for the North Carolina State University Turfgrass Research Center;

\$2,000,000 for the National Environmental Respiratory Center at the Lovelace Respiratory Research Institute in New Mexico;

\$1,000,000 for the Desert Research Institute for western Nevada regionally-based clean water activities;

\$1,000,000 for the University of Tennessee at Knoxville Natural Resources Policy Center;

\$1,000,000 for the University of Louisville/Illinois Waste Management and Research Center;

\$750,000 for the Integrated Petroleum Environmental Consortium [IPEC];

\$1,000,000 for the water and wastewater training program at the Alabama Department of Environmental Management;

\$1,000,000 for the Center for Estuarine Research at the University of South Alabama;

\$425,000 for the Connecticut River Airshed-Watershed Consortium;

\$425,000 for the Center for the Study of Metals in the Environment;

\$900,000 for the Center for Air Toxic Metals at the Energy and Environmental Research Center;

\$700,000 for Clean Air Counts of Northeastern Illinois to develop an innovative and cost effective method to reduce smog-causing emissions in the Chicago metropolitan region—the funding will provide support for an ongoing partnership involving EPA, the Metropolitan Mayors Caucus, Illinois EPA, and the Delta Institute;

\$200,000 for acid rain research at the University of Vermont;

\$200,000 for the University of Vermont’s Proctor Maple Research Center to continue mercury deposition monitoring effects;

\$500,000 for the University of Vermont’s Aiken Center Greening Initiative;

\$700,000 for Families in Search of the Truth to investigate the incidence of cancer in Fallon, Nevada;

\$700,000 for the demonstration of an integrated approach to perchlorate remediation and treatment in the City of Rialto, California;

\$700,000 for Southeastern Louisiana University for the Turtle Cove research station;

\$200,000 for the State of New Jersey’s Smart Growth Initiative;

\$200,000 for ecology research at Fordham University;

\$200,000 for expansion of the Roots and Shoots program headquartered at Western Connecticut State University;

\$200,000 for water resource modeling at the University of Nebraska-Lincoln;

\$1,500,000 for the Healy Zero Air Emission Tecnology;  
 \$1,000,000 the Donald Danforth Plant Science Center in St. Louis, Missouri for a Parasitic Nematodes Controls research project designed to reduce pesticide use; and  
 \$1,000,000 to the Missouri Pork Producers Federation for development of technology and creation of Innoventor process to decrease environmental impacts of animal waste by conversion into energy sources.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

Appropriations, 2004 .....	\$2,280,046,000
Budget estimate, 2005 .....	2,316,958,000
Committee recommendation .....	2,310,263,000

PROGRAM DESCRIPTION

The Agency’s “Environmental programs and management” account includes the development of environmental standards; monitoring and surveillance of pollution conditions; direct Federal pollution control planning; technical assistance to pollution control agencies and organizations; preparation of environmental impact statements; enforcement and compliance assurance; and assistance to Federal agencies in complying with environmental standards and insuring that their activities have minimal environmental impact. It provides personnel compensation, benefits, and travel and other administrative expenses for all agency programs except Hazardous Substance Superfund, LUST, Science and Technology, Oil Spill Response, and OIG.

COMMITTEE RECOMMENDATION

The Committee recommends \$2,310,263,000 for environmental programs and management, \$6,695,000 below the budget request and \$30,217,000 above the fiscal year 2004 enacted level.

The Committee supports the EPA Brownfields program at approximately the fiscal year 2004 enacted level of \$25,000,000 within this account. The Committee notes that the inclusion of these funds in conjunction with funding of \$140,000,000 in the State and Tribal Assistance Grants account for Brownfields activities results in a total of \$165,000,000 being available in fiscal year 2005.

The Committee recommends the following changes to the budget request:

- \$937,000 for Alternative Dispute Resolution, which is equal to the 2004 level;
- \$90,849,000 for the Climate Protection program, which is equal to the 2004 level; and includes \$50,300,000 for the Energy Star program;
- \$3,881,000 for the Commission for Environmental Cooperation, which is equal to the 2004 level;
- \$37,000,000 for Compliance Assistance and Centers, which is \$9,241,000 above the budget request;
- \$9,035,000 for Compliance Incentives, which is equal to the 2004 level;
- \$46,415,000 for Congressional, Intergovernmental, and External Relations, which is equal to the 2004 level;

\$54,450,000 for Criminal Enforcement, which is \$23,080,000 above the budget request;  
\$5,000,000 for Enforcement Targeting;  
\$95,000,000 for Drinking Water programs, which is \$1,814,000 above the 2004 level;  
\$6,000,000 for Enforcement Training, which is \$2,698,000 above the budget request;  
\$1,616,000 for Environment and Trade, which is equal to the 2004 level;  
\$5,000,000 for Environmental Education, which is \$5,000,000 above the budget request;  
\$23,000,000 for the Exchange Network, which is \$1,199,000 above the 2004 level;  
\$309,000,000 for Facilities Infrastructure and Operations, which is \$1,965,000 above the 2004 level;  
\$21,994,000 for Federal Stationary Source Regulations, which is equal to the 2004 level;  
\$90,000,000 for Federal Support for Air Quality Management, which is \$3,369,000 above the 2004 level;  
\$19,500,000 for the Great Lakes program, which is \$663,000 above the 2004 level;  
\$6,069,000 for other Geographic programs, which is equal to the 2004 level;  
\$25,000,000 for the Great Lakes Legacy Act, which is \$15,059,000 above the 2004 level;  
\$39,109,000 for Human Resources Management, which is equal to the 2004 level;  
\$9,999,000 for Asthma program, which is equal to the 2004 level;  
\$3,030,000 for Environment Tobacco Smoke program, which is equal to the 2004 level;  
\$5,073,000 for the Radon program, which is equal to the 2004 level;  
\$9,425,000 for the Schools and Workplace program, which is equal to the 2004 level;  
\$5,500,000 for International Capacity Building, which is \$804,000 below the 2004 level;  
\$105,000,000 for IT/Data Management, which is \$1,923,000 above the 2004 level;  
\$34,404,000 for the Legal Advice Environmental program, which is equal to the 2004 level;  
\$12,370,000 for the Legal Advice Support program, which is equal to the 2004 level;  
\$11,779,000 for Marine Pollution, which is equal to the 2004 level;  
\$20,000,000 for the National Estuary program, which is \$771,000 above the budget request;  
\$12,136,000 for NEPA Implementation, which is equal to the 2004 level;  
\$25,217,000 for Pesticides Field programs, which is equal to the 2004 level;  
\$40,773,000 for Registration of New Pesticides, which is equal to the 2004 level;

\$51,714,000 for the Review and Re-registration of Existing Pesticides, which is equal to the 2004 level;

\$16,822,000 for Pollution Prevention, which is equal to the 2004 level;

\$2,147,000 for POPs Implementation, which is equal to the 2004 level;

\$11,285,000 for Radiation/Protection, which is equal to the 2004 level;

\$2,188,000 for Radiation/Response Preparedness, which is equal to the 2004 level;

\$40,000,000 for RCRA/Corrective Action, which is \$929,000 above the 2004 level;

\$67,000,000 for RCRA/Waste Management, which is \$103,000 above the 2004 level;

\$12,000,000 for RCRA/Waste Minimization and Recycling, which is \$1,172,000 above the 2004 level;

\$7,500,000 for Regional Geographic Initiatives, which is \$1,287,000 below the 2004 level;

\$3,368,000 for Regional Science and Technology, which is equal to the 2004 level;

\$17,338,000 for Regulatory Innovation, which is equal to the 2004 level;

\$17,934,000 for Regulatory/Economic Management and Analysis, which is equal to the 2004 level;

\$4,396,000 for the Science Advisory Board, which is equal to the 2004 level;

\$1,651,000 for Science Policy and Biotechnology, which is equal to the 2004 level;

\$3,742,000 for the Small Business Ombudsman, which is equal to the 2004 level;

\$5,000,000 for Stratospheric Ozone/Domestic programs, which is \$748,000 below the 2004 level;

\$10,000,000 for the Stratospheric Ozone/Multilateral Fund, which is \$935,000 below the 2004 level;

\$185,000,000 for Surface Water Protection, which is \$778,000 above the 2004 level;

\$9,252,000 for Chemical Risk Management, which is equal to the 2004 level;

\$44,454,000 for Chemical Risk Review and Reduction, which is equal to the 2004 level; and

\$14,670,000 for the TRI/Right to Know program, which is equal to the 2004 level.

In addition, the Committee recommends the following increases to the budget request:

\$9,000,000 for the National Rural Water Association;

\$3,500,000 for the Rural Community Assistance program;

\$650,000 for the Ground Water Protection Council;

\$750,000 for the Water Systems Council;

\$2,000,000 for the Source Water Protection program;

\$5,000,000 for America's Clean Water Foundation;

\$200,000 for the Northeast States for Coordinated Air Use Management [NESCAUM];

\$200,000 for the Northeast Waste Management Officials Association [NEWMOA];

\$4,000,000 for the Small Public Water System Technology Centers at Western Kentucky University, the University of New Hampshire, the University of Alaska-Sitka, Pennsylvania State University, the University of Missouri-Columbia, Montana State University, the University of Illinois, and Mississippi State University;

\$500,000 for the City of Boulder's Sustainability Center;

\$300,000 for the State Review of Oil and Natural Gas Environmental Regulations [STRONGER] program;

\$200,000 for the Utah Watershed Coordinator's Council;

\$250,000 for an air monitoring project undertaken by the Louisville/Jefferson County Metro government;

\$600,000 for the University of Southern Mississippi's Gulf of Mexico program to evaluate bacterial source tracking in three Gulf Coast watersheds;

\$350,000 for the Greater Houston Partnership/Houston Advanced Research Center for an air quality study;

\$400,000 to the Baylor University for a Lake Whitney comprehensive assessment;

\$1,500,000 for the Rathdrum Prairie/Spokane Valley Aquifer study with matching funds to be provided by the State of Idaho and Washington;

\$300,000 for the Selenium Information System project at the Idaho National Engineering and Environmental Laboratory;

\$2,500,000 for the Southwest Center for Environmental Research and Policy;

\$500,000 for the Lake Tahoe Environmental Improvement program;

\$1,000,000 for the City of Maryville, Tennessee to implement an environmental protection and education project;

\$250,000 for the Center for Environmental Citizenship at Luther College in Decorah, Iowa;

\$250,000 for a comprehensive storm and irrigation-water management initiative for Orem, Utah;

\$5,000,000 for the Oklahoma Department of Environmental Quality for ongoing surface water treatment and general environmental remediation in collaboration with other involved state and Federal entities of the effects of mine-waste tailings in the Tar Creek and Spring Creek watersheds and area in Ottawa County, Oklahoma;

\$500,000 for the U.S.-Mexico Border Environmental Protection program at the University of Arizona;

\$600,000 for the Western Kentucky University Center for Wastewater Research;

\$400,000 for the Green River Biological Diversity Monitoring project at Western Kentucky University;

\$300,000 for Auburn University to develop a Mobile Delta Initiative;

\$750,000 for the City of Wilsonville, Oregon to develop an innovative rainwater management system;

\$500,000 for the Ozarks Environmental and Water Resources Institute at Southwest Missouri State University;

\$2,000,000 for Chesapeake Bay small watershed grants. The Committee expects that the funds provided for this program,

managed by the Fish and Wildlife Foundation, shall be used for community-based projects including those that design and implement on the ground and in the water environmental restoration or protection activities to help meet Chesapeake Bay program goals and objectives. This will result in a total of \$22,817,000 available in fiscal year 2005 for the Chesapeake Bay program, which is \$82,000 above the fiscal year 2004 level;

\$2,500,000 for the Lake Champlain Basin program, which is an increase of \$1,540,000 above the budget request and \$60,000 above the 2004 level;

\$2,300,000 for the Long Island Sound program, which is an increase of \$1,823,000 above the budget request and \$56,000 above the 2004 level;

\$750,000 for the Lake Pontchartrain Basin Foundation for Lake Pontchartrain water quality improvement;

\$250,000 for the Maryland Bureau of Mines for an acid mine drainage remediation project;

\$1,000,000 for projects demonstrating the benefits of Low Impact Development along the Anacostia Watershed in Prince Georges County, Maryland, including \$500,000 for storm drains and trash traps;

\$750,000 for the City of Waukesha, Wisconsin, for a radium removal research and study project;

\$250,000 for the Northwest Straits Commission for Washington State University's beach watchers program;

\$500,000 for the Columbia Basin Groundwater Management Area;

\$300,000 for the Walker Lake Working Group in Nevada for scientific, analytical, and other technical assistance to evaluate solutions for the restoration of Walker Lake;

\$250,000 for the Friends of Old Maui School and Community Work Day in Hawaii for environmental assessments;

\$350,000 for the County of Hawaii for the Honomolino Irrigation Cooperative surface and ground water project;

\$250,000 for the Hawaii Nature Center East Kauai watershed improvement initiative;

\$500,000 for the Metropolitan Water District of Southern California for a study of the effectiveness of biological treatment for the removal of perchlorate from groundwater;

\$250,000 for the Fresno County Council of Governments in California for a non-point source water quality management program;

\$500,000 for the Storm Lake, Iowa, water quality project;

\$250,000 for the Iowa Stormwater Runoff Council for the development and implementation of improved urban stormwater control practices;

\$300,000 for the Vermont Department of Agriculture Steven's Brook watershed project;

\$250,000 for the City of Warwick, Rhode Island, for design and engineering of the Potowomut wastewater collection system;

\$400,000 for the City of Las Vegas, New Mexico, for a mechanical biological treatment initiative;

\$750,000 for the University of West Florida's PERCH program;

\$400,000 for the County of Ventura, California, Calleguas Creek Watershed Management Plan;

\$400,000 for a storm water research initiative at the University of Vermont;

\$700,000 for Plimoth Plantation in Plymouth, Massachusetts, for environmental education initiatives;

\$400,000 for the City of Norwalk, Connecticut, for the FILTER project to prevent runoff into the Long Island Sound;

\$500,000 for the State of Nevada to replace or retrofit school buses to lower emissions;

\$250,000 for Chautauqua County, New York, for a sewerage mapping project;

\$400,000 for the Right Place in Grand Rapids, Michigan, for the West Michigan Regional Sustainable Manufacturing Initiative;

\$400,000 for Deschutes County, Oregon, for the Upper Deschutes River water quality and monitoring program;

\$200,000 for pollution prevention of Wreck Pond and nearby beaches in Spring Lake, New Jersey;

\$200,000 for the City of Vineland, New Jersey, for the demonstration of an environmentally sound disabled vehicle removal pilot project;

\$400,000 for the King County, Washington, molten fuel cell demonstration project;

\$200,000 for the North Carolina Rural Economic Development Center for a statewide water and wastewater assessment;

\$750,000 for continued research and watershed activities at the Kenai River Center in Kenai, Alaska;

\$375,000 for regional haze monitoring in the State of Alaska;

\$2,000,000 for an air quality initiative in Fairbanks, Alaska;

\$1,500,000 to the Environmental Resources Coalition for the Southwest Missouri Water Resources Assessment Project; and

\$1,000,000 for the Missouri Department of Natural Resources for the Low Sulfur Coal Emissions Reduction Pilot Project.

The Committee directs the agency to provide the full budget request within available funds for the High Production Volume Chemical Challenge program, the Endocrine Disruptor Screening program, and the Voluntary Children's Chemical Evaluation program.

The Committee also directed EPA in fiscal year 2004 to provide equal access to the benefits of the Energy Star Labeled Homes program to all sectors of the affordable housing industry, and to especially work with the manufactured housing industry on ways for manufactured housing to avail itself of the Energy Star Labeled Homes program. The Committee directs EPA to report to the House and Senate Committees on Appropriations on these effects by January 31, 2005.

Unclear regulations, conflicting court decisions and inadequate scientific information are creating confusion over whether reporting requirements in the Comprehensive Environmental Response,

Compensation, and Liability Act and Emergency Planning and Community Right-To-Know Act cover air emissions, including ammonia, from poultry, dairy or livestock operations. Producers want to meet their environmental obligations and protect air quality but need clear guidance to do so. This spring, several Members of Congress wrote to EPA requesting EPA produce straightforward, clear and enforceable standards in this area. Specific questions for resolution included: what is a facility? when has a reportable quantity been released? is poultry production or other livestock or dairy operation a routine agricultural operation? To date, EPA has not responded substantively to this request. The Committee directs EPA to resolve this issue promptly.

The Committee believes that a strong criminal enforcement program is essential to reducing pollution and protecting public health, and is concerned that the Agency has not devoted adequate resources to the program, leading to staffing and case backlogs. While the Committee also supports the Agency's compliance assistance and monitoring activities, these activities should be complementary to traditional criminal enforcement activities, not in lieu of them. Similarly, the Agency's increased criminal activities related to homeland security should be conducted in addition to, not at the expense of, the traditional criminal enforcement program. The Committee therefore directs the Agency to report by March 15, 2005, with a plan to reduce case backlogs and ensure adequate resource and staffing levels.

In addition, a recent report by the EPA IG as well as an internal EPA Enforcement Management Review and numerous press accounts document the dual challenges faced by the Enforcement and Compliance Assurance program to perform its traditional mission of criminal enforcement of environmental violations and new post-9/11 homeland security duties. Criminal violations of environmental statutes and regulations represent the most egregious offenses against the environment and human health. Similarly, defense of the homeland is the Nation's highest priority.

To that end, the Committee has included \$54,450,000 in funds for Criminal Enforcement and directs EPA to increase and maintain the number of special agents assigned to the Criminal Enforcement program as necessary to ensure that the total number of special agents assigned to the program is at least 330 by September 30, 2005. The Committee expects that at least 80 special agents are assigned to homeland security and protective service duties with the appropriate level of support staff. In achieving the increased staffing levels for the Criminal Enforcement program and to assure quality and cost-effectiveness of hires, EPA is encouraged to utilize the programs, policies, and procedures adopted by the OECA Human Resources Council, including the use of student trainee programs.

The Committee directs EPA to participate fully in joint homeland security efforts with DHS, DOJ and the FBI, with DHS as lead agency. While investigation of environmental crimes remains the EPA's core criminal enforcement mission and the Committee has provided additional special agents for those environmental functions, homeland security needs should receive no less attention from EPA. EPA is directed to give deference to requests for EPA

personnel by justice and security related agencies for homeland security activities. EPA is directed to notify the Committee upon a finding that the 80 EPA special agents dedicated to homeland security are insufficient to meet the Nation's needs or where the EPA is considering reducing these security personnel.

The Committee also has included \$6,000,000 under Enforcement Training to increase training for Federal, State and local lawyers, inspectors, civil and criminal investigators and technical experts in the enforcement of environmental laws. The Committee has included \$37,000,000 for the Compliance Assistance and Centers to provide information and technical assistance to help individuals and entities know and understand their environmental obligations. The sheer volume and complexity of environmental regulations and requirements continues to overwhelm the regulated community, especially new, unsophisticated or small businesses. Finally, the Committee has included \$5,000,000 for Enforcement Targeting for EPA to expand its ability to track and analyze environmental violations and respond by strategically targeting enforcement and compliance assurance resources to address problems of particular risk to human health or threats to sensitive geographic areas. Since enforcement remains a high priority, EPA should not pay for these activities from other programs within the Enforcement Program area.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2004 .....	\$37,336,000
Budget estimate, 2005 .....	37,997,000
Committee recommendation .....	38,000,000

PROGRAM DESCRIPTION

The Office of Inspector General [OIG] provides audit, evaluation, and investigation products and advisory services to improve the performance and integrity of EPA programs and operations. The IG also holds the position of Inspector General for the Chemical Safety and Hazard Investigation Board.

Trust fund resources are transferred to this account directly from the Hazardous Substance Superfund.

COMMITTEE RECOMMENDATION

The Committee recommends \$38,000,000 for the Office of Inspector General, which is \$3,000 above the budget request and \$664,000 above the fiscal year 2004 level. In addition, \$13,139,000 will be available by transfer from the Superfund account, for a total of \$51,139,000. The trust fund resources will be transferred to the inspector general "General fund" account with an expenditure transfer.

BUILDINGS AND FACILITIES

Appropriations, 2004 .....	\$39,764,000
Budget estimate, 2005 .....	42,918,000
Committee recommendation .....	40,000,000

## PROGRAM DESCRIPTION

The appropriation for buildings and facilities at EPA provides for the design and construction of EPA-owned facilities as well as for the repair, extension, alteration, and improvement of facilities utilized by the Agency. These funds correct unsafe conditions, protect health and safety of employees and Agency visitors, and prevent deterioration of structures and equipment.

## COMMITTEE RECOMMENDATION

The Committee recommends \$40,000,000 for buildings and facilities, \$236,000 above the fiscal year 2004 level and \$2,918,000 below the budget request.

## HAZARDOUS SUBSTANCE SUPERFUND

(INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2004 .....	\$1,257,537,000
Budget estimate, 2005 .....	1,381,416,000
Committee recommendation .....	1,381,416,000

## PROGRAM DESCRIPTION

On October 17, 1986, Congress amended the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 [CERCLA] through the Superfund Amendments and Reauthorization Act of 1986 [SARA]. SARA reauthorized and expanded the Hazardous Substance Superfund to address the problems of uncontrolled hazardous waste sites and spills. Specifically, the legislation mandates that EPA: (1) provide emergency response to hazardous waste spills; (2) take emergency action at hazardous waste sites that pose an imminent hazard to public health or environmentally sensitive ecosystems; (3) engage in long-term planning, remedial design, and construction to clean up hazardous waste sites where no financially viable responsible party can be found; (4) take enforcement actions to require responsible private and Federal parties to clean up hazardous waste sites; and (5) take enforcement actions to recover costs where the fund has been used for cleanup. Due to the site-specific nature of the Agency's Superfund program, site-specific travel is not considered part of the overall travel ceiling set for the Superfund account.

## COMMITTEE RECOMMENDATION

The Committee recommends \$1,381,416,000 for Superfund, \$123,879,000 above the fiscal year 2004 enacted level and the same as the budget request. Of these funds, \$998,931,000 is for Superfund response and cleanup activities; \$146,526,000 is for enforcement activities; \$148,850,000 for management and support; \$13,139,000 for transfer to the Office of the Inspector General; \$36,097,000 for transfer to the Science and Technology account for research and development activities; and up to \$36,490,742 for reimbursable interagency activities. Changes to these funding levels shall be made pursuant to normal reprogramming requirements.

The Committee remains concerned that the EPA has not done enough to ensure that funds are used efficiently with regard to its

Superfund response and clean-up activities. These activities remain a priority and the Committee urges EPA to implement consistent standards and requirements at all superfund sites.

#### LEAKING UNDERGROUND STORAGE TANK TRUST FUND

Appropriations, 2004 .....	\$75,551,000
Budget estimate, 2005 .....	72,545,000
Committee recommendation .....	70,000,000

#### PROGRAM DESCRIPTION

The Superfund Amendments and Reauthorizations Act of 1986 [SARA] established the leaking underground storage tank [LUST] trust fund to conduct corrective actions for releases from leaking underground storage tanks containing petroleum and other hazardous substances. EPA implements the LUST program through State cooperative agreement grants which enable States to conduct corrective actions to protect human health and the environment, and through non-State entities including Indian tribes under section 8001 of RCRA. The trust fund is also used to enforce responsible parties to finance corrective actions and to recover expended funds used to clean up abandoned tanks.

#### COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$70,000,000 for the Leaking Underground Storage Tank Trust Fund, a reduction of \$5,551,000 below the fiscal year 2004 enacted level and \$2,545,000 below the budget request. The Committee directs that not less than 85 percent of these funds be provided to the States and tribal governments.

#### OIL SPILL RESPONSE

Appropriations, 2004 .....	\$16,113,000
Budget estimate, 2005 .....	16,425,000
Committee recommendation .....	16,000,000

#### PROGRAM DESCRIPTION

This appropriation, authorized by the Federal Water Pollution Control Act of 1987 and amended by the Oil Pollution Act of 1990, provides funds to prepare for and prevent releases of oil and other petroleum products in navigable waterways. Also EPA is reimbursed for incident specific response costs through the Oil Spill Liability Trust Fund managed by the United States Coast Guard. EPA is responsible for: directing all cleanup and removal activities posing a threat to public health and the environment; conducting site inspections, including compelling responsible parties to undertake cleanup actions; reviewing containment plans at facilities; reviewing area contingency plans; pursuing cost recovery of fund-financed cleanups; and conducting research of oil cleanup techniques. Funds for this appropriation are provided through the Oil Spill Liability Trust Fund which is composed of fees and collections made through provisions of the Oil Pollution Act of 1990, the Comprehensive Oil Pollution Liability and Compensation Act, the Deep-water Port Act of 1974, the Outer Continental Shelf Lands Act

Amendments of 1978, and the Federal Water Pollution Control Act as amended. Pursuant to law, the Trust Fund is managed by the United States Coast Guard.

COMMITTEE RECOMMENDATION

The Committee recommends \$16,000,000 for the oil spill response trust fund, \$425,000 below the budget request and \$113,000 below the fiscal year 2004 enacted level.

STATE AND TRIBAL ASSISTANCE GRANTS

Appropriations, 2004 .....	\$3,877,387,000
Budget estimate, 2005 .....	3,231,800,000
Committee recommendation .....	3,886,550,000

PROGRAM DESCRIPTION

The “State and tribal assistance grants” account funds grants to support the State revolving fund programs; State, tribal, regional, and local environmental programs; and special projects to address critical water and waste water treatment needs.

Included in this account are funds for the following infrastructure grant programs: Clean Water and Drinking Water State Revolving Funds; United States-Mexico Border Program; Alaska Native villages; Alaska Aboveground Storage Tanks; and Brownfield State and Tribal Response program grants authorized by CERCLA section 128(a).

It also contains the following categorical environmental grants, State/tribal program grants, and assistance and capacity building grants: (1) air resource assistance to State, regional, local, and tribal governments (secs. 105 and 103 of the Clean Air Act); (2) radon State and Tribal grants; (3) water pollution control agency resource supplementation (sec. 106 of the FWPCA); (4) BEACHS Protection grants (sec. 406 of FWPCA as amended); (5) nonpoint source (sec. 319 of the Federal Water Pollution Control Act); (6) wetlands State program development; (7) water quality cooperative agreements (sec. 104(b)(3) of FWPCA); (8) targeted watershed grants; (9) wastewater operator training grants; (10) public water system supervision; (11) underground injection control; (12) drinking water program State homeland security coordination grants; (13) hazardous waste financial assistance; (14) Brownfields activities authorized by CERCLA section 104(k); (15) underground storage tanks; (16) pesticides program implementation; (17) lead grants; (18) toxic substances compliance; (19) pesticides enforcement; (20) the Environmental Information Exchange Network; (21) pollution prevention; (22) sector program; and (23) Indians general assistance grants.

As with the case in past fiscal years, reprogramming requests associated with Performance Partnership Grants need not be submitted to the Committee for approval should such grants exceed the normal reprogramming limitations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,886,550,000 for State and Tribal Assistance Grants, an increase of \$654,750,000

above the budget request and \$8,765,000 above the fiscal year 2004 enacted level.

Bill language specifically provides funding levels for the following programs in this account:

\$1,350,000,000 for the Clean Water State Revolving Loan Fund, which is the same as the 2004 level and an increase of \$500,000,000 above the budget request;

\$850,000,000 for the Drinking Water State Revolving Loan Fund, which is equal to the 2004 level and the budget request;

\$50,000,000 for the United States-Mexico Border program, which is equal to the budget request, and includes \$7,000,000 for the El Paso Public Utilities Board and \$2,000,000 for the City of Brownsville water supply project;

\$50,000,000 for grants to address drinking water and wastewater infrastructure needs in rural and native Alaskan communities;

\$30,000,000 for competitive grants for planning, design, engineering, and infrastructure improvements or construction in order for drinking water facilities in rural areas to meet the new EPA arsenic requirements;

\$4,000,000 for remediation of above ground leaking fuel tanks in Alaska as authorized by Public Law 106-554; and

\$90,000,000 for Brownfields infrastructure projects.

Within the State and Tribal Categorical Grant program, the Committee recommends the following changes to the budget request:

- (1) \$50,000,000 for Brownfields grants;
- (2) \$20,000,000 for Environmental Information;
- (3) \$215,000,000 for Non-point Source (Sec. 319) grants;
- (4) \$210,000,000 for Pollution Control (Sec. 106) grants;
- (5) \$5,000,000 for Pollution Prevention;
- (6) \$102,500,000 for Public Water System Supervision grants;
- (7) \$7,000,000 for Radon grants;
- (8) \$20,000,000 for making competitive Targeted Watersheds grants. Within these funds, \$10,000,000 is for a regional pilot program for the Chesapeake Bay that shall demonstrate effective non-point source nutrient reduction approaches that target small watersheds and accelerate nutrient reduction in innovative, sustainable, and cost-effective ways. Partners in the effort to protect the Bay include Maryland; Pennsylvania; Virginia; the District of Columbia; the Chesapeake Bay Commission, a tri-state legislative body; EPA, which represents the Federal Government; and, participating citizen advisory groups;
- (9) \$9,000,000 for Underground Injection Control grants;
- (10) \$13,000,000 for Underground Storage Tanks;
- (11) \$17,000,000 for Water Quality Cooperative Agreements;
- (12) \$15,000,000 for Wetlands Program Development; and
- (13) \$11,000,000 for Tribal Air Quality Management.

The Committee has not included funding for the following administration requests in this account: a special grant for drinking water improvements in Puerto Rico; the Clean School Bus Initiative; and, the State and Tribal Performance Fund.

The Committee includes \$117,000,000 for targeted project grants. These grants include a local match of 45 percent for all grants utilized unless a hardship waiver is provided by the EPA. The EPA is directed to expedite any request for a waiver and assist any communities that are likely to qualify for a waiver in processing such a request. The targeted project grants are as follows:

\$800,000 to the Coosa Valley Water Supply District for development of a surface water supply in St. Clair County, Alabama;

\$750,000 to the Utilities Board of the City of Helena for water and sewer upgrades and construction in Helena, Alabama;

\$600,000 to the Cleburne County Commission in Heflin, Alabama for county water expansion in Cleburne, County, Alabama;

\$600,000 to the Randolph County Commission in Wedowee, Alabama for county water expansion in Randolph County, Alabama;

\$450,000 to the Blount County Water Authority in Oneonta, Alabama for development of a county water supply line;

\$750,000 to the City of Fort Payne for water and sewer improvements in Fort Payne, Alabama;

\$250,000 to the West Morgan/East Lawrence Water and Sewer Authority in Decatur, Alabama for water and sewer improvements;

\$300,000 to the Lamar County Commission in Vernon, Alabama for the Lamar County Water Supply Project;

\$1,000,000 to Girdwood, Inc. for water and sewer expansion in Girdwood, Alaska;

\$1,300,000 to the Municipality of Anchorage, Alaska for Sand Lake Water Extension;

\$300,000 for Matanuska-Susitna Borough, Alaska for water wells for Gorsuch Lake;

\$1,100,000 for the City of Wasilla, Alaska for sewer expansion;

\$750,000 for the City of Valdez, Alaska to replace septic systems with sewers and wells with city water;

\$400,000 for the City of Ketchikan, Alaska for Mountain Point Sewer System;

\$250,000 for the City of Skagway, Alaska for water system upgrades;

\$425,000 for the City of Wrangell, Alaska for water and sewer upgrades;

\$800,000 for the City of Nome, Alaska for water and sewer upgrades for Old Federal Building;

\$600,000 for the City of Seldovia, Alaska for water and sewer upgrades;

\$600,000 for the Fort Chafee Redevelopment Authority in Barling/Fort Smith, Arkansas for water infrastructure improvements;

\$250,000 for City of Fayetteville, Arkansas for wastewater infrastructure improvements;

\$300,000 for the Santa Clara Valley Water District, California for perchlorate groundwater clean-up;

\$300,000 for the Inland Empire Perchlorate Task Force in California for the Wellhead Treatment of Perchlorate Contaminated Wells;

\$400,000 for the City Santa Ana, California for East and West Reservoir Upgrades;

\$500,000 for the City of San Jose, California for North San Pedro water and sewer infrastructure improvements;

\$500,000 for the City of Eureka, California for the Martin Slough Interceptor Project;

\$200,000 for the Metropolitan Water District of Southern California for the City of Ontario Final Design for Wellhead Treatment for Perchlorate and Nitrate;

\$400,000 for the City of Laguna Beach for wastewater infrastructure improvements;

\$700,000 for the City of Ouray, Colorado for water infrastructure improvement;

\$300,000 for the City of Trinidad, Colorado for the Trinidad Wastewater Improvement Project;

\$250,000 for the Town of Bayfield, Colorado for the construction of a water storage tank;

\$250,000 for the Mancos Water Conservancy District, Mancos, Colorado for water supply facility renovation;

\$250,000 for the Town of Idaho Springs, Colorado for water distribution facility renovation;

\$250,000 for the Town of Eldorado Springs, Colorado for improving wastewater treatment;

\$250,000 for the Town of Ouray, Colorado for water infrastructure improvements;

\$250,000 for Jefferson County, Colorado for stormwater collection system improvements;

\$300,000 for the City of Bristol, Connecticut for water infrastructure improvements;

\$300,000 for the Town of East Hampton, Connecticut for drinking water infrastructure improvements;

\$250,000 for Stamford, Connecticut for a waste-to-energy project;

\$250,000 for the City of Wilmington, Delaware for wastewater infrastructure improvements;

\$250,000 for the Town of Ocean View, Delaware for wastewater infrastructure improvements;

\$300,000 for Key West, Florida for stormwater infrastructure improvements;

\$300,000 for South Florida Management District for water infrastructure improvements;

\$250,000 for the Southwest Florida Water Management District in Tampa, Florida for the Tampa Bay Regional Reclaimed Water project;

\$250,000 to City of Atlanta, Georgia for the west area combined sewer project;

\$250,000 to City of Eatonton, Georgia for wastewater infrastructure improvements;

\$250,000 to City of Forsyth, Georgia for wastewater infrastructure improvements;

\$250,000 for the State of Hawaii for upgrade and expansion of the Sand Island Wastewater Treatment Plant;

\$1,000,000 for the County of Maui, Hawaii for wastewater infrastructure improvements;

\$2,000,000 for the City of Burley, Idaho, to continue work on a Wastewater Treatment System Project;

\$1,000,000 for the City of Pocatello, Idaho, for Day Street Division Water System Improvements;

\$500,000 for the City of Effingham, Illinois for drinking water infrastructure improvements;

\$500,000 for the City of Monmouth, Illinois for wastewater infrastructure improvements;

\$500,000 for the Village of Olympia Fields, Illinois for wastewater infrastructure improvements;

\$500,000 for the Village of Franklin Park, Illinois for water and wastewater infrastructure improvements;

\$600,000 for the City of Marion, Indiana for the Marion Water Loop and Deer Creek Project;

\$400,000 for the City of Marion, Indiana, for the Marion Water Loop and Deer Creek Storm Water Project;

\$100,000 for the City of Southport, Southport/Marion County, Indiana for downtown infrastructure and drainage improvements;

\$500,000 for the City of Fort Madison, Iowa for the Water Treatment Plant Improvements;

\$500,000 for the City of West Burlington for the Iowa Army Ammunition Plant Improvements;

\$1,500,000 for the City of Ottumwa, Iowa for the separation of combined sewers;

\$500,000 for the City of Davenport, Iowa for water infrastructure improvements;

\$1,000,000 for the City of Abilene, Kansas for construction of a wastewater treatment plant;

\$1,500,000 for the City of Hutchinson, Kansas for groundwater remediation and treatment projects;

\$1,750,000 for the City of Bowling Green, Kentucky, for the South Central Kentucky Water Infrastructure Project;

\$750,000 for the Hardin County Water District No. 2 in Hardin County, Kentucky for a Water Quality Assurance Plan and System Improvements Projects;

\$500,000 for the City of Elkton, Kentucky, for the City of Elkton Sewer Plant Expansion and Sewer Line Extension Project;

\$250,000 for Breckinridge County, Kentucky for water infrastructure improvements;

\$250,000 for Bullitt County, Kentucky for wastewater infrastructure improvements;

\$250,000 for Calloway County, Kentucky for the City of Hazel Wastewater System;

\$250,000 for Cadiz-Trigg County, Kentucky for water infrastructure improvements;

\$250,000 for Marshall County, Kentucky for drinking water infrastructure improvements;

\$250,000 for the City of Nicholasville, Kentucky for the Bluegrass Water Consortium Drinking Water Project;

\$600,000 for Rapides Parish, Louisiana for wastewater infrastructure improvements;

\$400,000 for St. Charles Parish, Louisiana for wastewater infrastructure improvements;

\$400,000 for Jefferson Parish, Louisiana for water and wastewater infrastructure improvements;

\$400,000 for the City of Bastrop, Louisiana for wastewater infrastructure improvements;

\$400,000 for the City of Hammond, Louisiana for wastewater infrastructure improvements;

\$400,000 for the City of Grand Isle, Louisiana for drinking water infrastructure improvements;

\$450,000 for the Greater Limestone Wastewater Treatment Facilities in Maine to consolidate and replace antiquated wastewater collection and treatment facilities at the Loring Development Authority [LDA] and Caribou Utilities District [CUD];

\$250,000 for the Indian Township Tribal Government in Maine for the first phase for expansion of current lagoon system to provide adequate capacity;

\$300,000 for the Town of Machias, Maine for replacement of sewers and completion of deficiencies at existing aging wastewater treatment plant;

\$250,000 for Chesapeake Beach, Maryland, for wastewater infrastructure improvements;

\$250,000 for Indian Head, Maryland, for wastewater infrastructure improvements;

\$500,000 for Elkton, Maryland, for wastewater infrastructure improvements;

\$250,000 for Hurlock, Maryland, for wastewater infrastructure improvements;

\$750,000 for Kent Island, Maryland, for wastewater infrastructure improvements;

\$250,000 for Easton, Maryland, for wastewater infrastructure improvements;

\$750,000 for Cumberland, Maryland, for wastewater infrastructure improvements;

\$500,000 for Frostburg, Maryland, for wastewater infrastructure improvements;

\$250,000 for Brunswick, Maryland, for wastewater infrastructure improvements;

\$250,000 for the Bristol County, Massachusetts for the Bristol County Combined Sewer Overflow Abatement Project;

\$250,000 for the Pioneer Valley Planning Commission in Massachusetts for combined sewer overflow abatement in the Connecticut River;

\$1,000,000 for the City of Benton Harbor, Michigan for water infrastructure improvements;

\$500,000 for Seney Township, Michigan for sewer infrastructure improvements;

\$500,000 for the City of Saginaw, Michigan for sewer infrastructure improvements;

\$1,000,000 for the Macomb County Department of Public Works, Michigan for sewer infrastructure improvements;

\$150,000 to Minnesota State University in Moorhead for water infrastructure improvements;

\$300,000 to the City of Duluth, Minnesota for wastewater infrastructure improvements;

\$300,000 to the City of Minneapolis, Minnesota for combined sewer overflow improvements;

\$250,000 for the City of Duluth and Western Lake Superior Sanitary District in Duluth, Minnesota for wastewater infrastructure improvements;

\$500,000 for Tchula, Mississippi for water and sewer infrastructure improvements;

\$500,000 for the City of Brookhaven, Mississippi for wastewater infrastructure improvements;

\$500,000 to the City of Sherman, Mississippi for water and sewer infrastructure improvements;

\$1,300,000 to the City of Oxford, Mississippi for water and sewer infrastructure improvements;

\$750,000 to Forrest County, Mississippi for water and sewer infrastructure improvements;

\$250,000 to the Town of French Camp, Mississippi for water and sewer infrastructure improvements;

\$1,500,000 to Swope Community Builders in Kansas City, Missouri for the Brush Creek Neighborhood Strategy Area Redevelopment Initiative in Missouri;

\$687,500 to the City of Joplin, Missouri for the final phase of the Crossroads Parallel Sewer project;

\$1,312,500 to the City of Milan, Missouri for the Milan Water Quality Treatment Project;

\$1,000,000 to the Clarence Cannon Wholesale Water Commission to expand the existing water treatment capacity from 5 million gallons to 7.5 million gallons per day and to include connecting the Macon County PWS #1 and the City of Wellsville, Missouri to the CCWWC transmission system;

\$1,000,000 to the Environmental Resources Coalition in Missouri to mitigate point source pollution issues in distressed communities that border Table Rock Lake;

\$1,000,000 to the City of Springfield, Missouri for wastewater treatment plant improvements including the design and construction of infrastructure for removal of nitrogen from the treated wastewater effluent and improved anaerobic digester facilities that treat solids from the wastewater;

\$1,000,000 for the City of Bozeman, Montana, for water infrastructure improvements;

\$1,000,000 for the Missouri River Water Project, Helena, Montana for a water treatment project;

\$500,000 for the City of Glasgow, Montana for water infrastructure improvements;

\$500,000 for the Town of Seeley Lake, Montana for wastewater system improvements;

\$250,000 for Seely Lake, Montana for wastewater infrastructure improvements;

\$650,000 for the City of Omaha, Nebraska for the construction of combined sewer separation systems;

\$350,000 for the City of Lincoln, Nebraska to upgrade the Theresa Street and Northeast Wastewater Treatment plants;

\$250,000 for the City of Omaha, Nebraska for combined sewer separation;

\$400,000 for Las Vegas Valley Water District/Searchlight, Nevada for water infrastructure improvements;

\$400,000 for Clark County Reclamation District/Searchlight, Nevada for wastewater infrastructure improvements;

\$250,000 for the City of Reno, Nevada for sewer infrastructure improvements;

\$300,000 for the Spanish Springs Nitrate Removal Project in Nevada;

\$200,000 for the North Valley Lemmon Artificial Recharge Project in North Lemmon Valley, Nevada for water infrastructure improvements;

\$250,000 for the Virgin Valley Water District, Nevada for water infrastructure improvements;

\$200,000 for Carson City, Nevada for reservoir lining;

\$400,000 for the Berlin Waterworks in Berlin, New Hampshire for drinking water distribution system improvements;

\$400,000 for the Nashua Combined Sewer Overflow project in Nashua, New Hampshire for CSO treatment and abatement;

\$400,000 for the New Hampshire Department of Environmental Services to develop a septage treatment facility based at the wastewater treatment facility in Franklin, New Hampshire;

\$200,000 for Troy, New Hampshire for a wastewater and water improvement program;

\$400,000 for the Manchester Combined Sewer Overflow project in Manchester, New Hampshire;

\$200,000 for the Rochester, New Hampshire Route 108 sewer line extension;

\$150,000 for Somersworth, New Hampshire for the sewerage improvement program to provide upgrades to the wastewater treatment plant;

\$200,000 for Bristol, New Hampshire for wastewater system improvements;

\$150,000 for Milton, New Hampshire for a water storage tank replacement project;

\$600,000 for Town of Exeter, New Hampshire for water treatment plant replacement;

\$200,000 for City of Berlin, New Hampshire for water system distribution improvements;

\$500,000 for the Township of Parsippany-Troy Hills in New Jersey for water infrastructure improvements;

\$1,250,000 for the City of Bayonne, New Jersey for water and wastewater infrastructure improvements;

\$1,600,000 for the City of Albuquerque and County of Bernalillo, New Mexico, for the Valley Utilities Project;

\$1,000,000 for the City of Española, New Mexico, for water and wastewater treatment infrastructure;

\$900,000 for the City of Kirtland, New Mexico, for Phase 1 of a sewer system project;

\$500,000 for the Village of Los Lunas, New Mexico, for the interceptor sewer line project;

\$250,000 for the City of Clovis, New Mexico for wastewater infrastructure improvements;

\$400,000 for the Town of Babylon, New York for the Oak Beach Park Stormwater Management Project;

\$300,000 for Orange County Water Authority, Goshen, New York for wastewater infrastructure improvements;

\$300,000 for the Town of Plattsburg, New York for wastewater infrastructure improvements;

\$500,000 for Washington County North Carolina Sewer Improvements;

\$600,000 for the City of Mooresville, North Carolina for water infrastructure improvements;

\$1,000,000 for the City of Grafton, North Dakota for the Grafton Water Treatment Plant;

\$500,000 for the City of Devils Lake, North Dakota for water infrastructure improvements;

\$250,000 for the City of Riverdale, North Dakota for the Riverdale Regional Water Treatment Facility;

\$250,000 for Dickey Rural Water Users Association in Southeast, North Dakota for the Southeast Regional Expansion Project;

\$250,000 for the City of Mandan, North Dakota for drinking water infrastructure improvements;

\$300,000 for the Muskingum Watershed Conservancy District, Carroll County, Ohio for the Atwood Conference Center Water Treatment Plant Improvements;

\$500,000 for the Village of Racine, Meigs County, Ohio for water treatment plant improvements;

\$750,000 for the City of Celina, Ohio for the Water Treatment Plant Project;

\$400,000 for City of Akron, Ohio for Combined Sewer Overflow Improvements Project;

\$300,000 for City of Parma, Ohio for City Sewer Replacement Project;

\$200,000 for Defiance County Commissioners, Defiance and Paulding Counties, Ohio for Auglaize River Sewer Project;

\$175,000 for Jefferson County Water and Sewer District, Jefferson County, Ohio for Crestview/Belvedere Sewer Project;

\$175,000 for Tri-County Rural Water and Sewer District, Washington, Morgan and Noble Counties, Ohio for Tri-County/Noble County Water Interconnect Project;

\$100,000 for City of Delphos, Allen, Putnam and Van Wert Counties, Ohio for Tri-County Regional Water System Project;

\$100,000 for Village of Corning, Ohio for Wastewater System Improvements Project;

\$250,000 for City of Warrenton, Oregon for continued work on the municipal water outfall;

\$250,000 for City of Rainier, Oregon for a wastewater treatment plant;

\$250,000 for City of Coquille, Oregon for a wastewater treatment plant;

\$250,000 for Klamath Falls, Oregon for preliminary work on wastewater treatment improvements;

\$300,000 for the City of Coburg, Oregon for wastewater infrastructure improvements;

\$300,000 for the City of Rainier, Oregon for wastewater infrastructure improvements;

\$200,000 for the Municipality of Penn Hills, Pennsylvania, for the Madison Avenue Storm Sewer Project;

\$200,000 for the Nesquehoning Borough Authority, Carbon County, Pennsylvania, for a water main replacement;

\$200,000 for the Mercer County Regional Council of Governments, Pennsylvania, for the Shenango Valley Sewer/Water Improvement Project;

\$200,000 for the Berwick Industrial Development Association, Berwick, Pennsylvania, for the sanitary storm water system;

\$200,000 for the City of Johnstown, Pennsylvania for water and sewer improvements at the Point Stadium multi-use facility;

\$1,500,000 for the Three Rivers Wet Weather Demonstration program in Allegheny County, Pennsylvania to develop innovative, cost-effective solutions to assist municipalities to eliminate sewer overflows;

\$250,000 for the Derry Township Municipal Authority in Hershey, Pennsylvania for wastewater treatment plant upgrades;

\$250,000 for the Mercer County Sanitary Sewer and Water Treatment project in the City of Hermitage, City of Sharon, and Borough of Sharpsville, Pennsylvania;

\$250,000 for the City of Lancaster, Pennsylvania for water infrastructure improvements;

\$250,000 for the Newport Borough Sewer Authority in Newport, Pennsylvania for storm and sewer water separation;

\$250,000 for the York City Sewer Authority in York, Pennsylvania for wastewater collection system improvements;

\$250,000 for Pocono Township in Tannersville, Pennsylvania for the Route 611 Corridor sewer line construction;

\$250,000 to the Shannock Water District, Rhode Island for water infrastructure improvements;

\$250,000 to the Lincoln Water Commission, Rhode Island for water infrastructure improvements;

\$250,000 to the Pawtucket Water Supply Board, Rhode Island for water infrastructure improvements;

\$250,000 to the Town of North Kingstown, Rhode Island for water infrastructure improvements;

\$1,000,000 for the Narragansett Bay Commission, Rhode Island for combined sewer overflow infrastructure improvements;

\$500,000 for the City of Newport, Rhode Island for water infrastructure improvements;

\$500,000 for the Town of Warren, Rhode Island for sewer infrastructure improvements;

\$250,000 for Charleston CPW, Charleston, South Carolina for a Wastewater Tunnel Replacement Project;

\$250,000 for Kershaw County, Kershaw, South Carolina for the I-20 Corridor Infrastructure Project-Waste Water Treatment Plant Expansion;

\$800,000 for the Chester Sewer District, South Carolina for water and wastewater infrastructure improvements;

\$1,000,000 for Kershaw County, South Carolina for wastewater infrastructure improvements;

\$1,500,000 for the City of Huron, South Dakota for water infrastructure improvements;

\$600,000 for the Green Valley Sanitary District, South Dakota for water infrastructure improvements;

\$400,000 for the City of Tyndal, South Dakota for water infrastructure improvements;

\$300,000 for Milbank, South Dakota, for wastewater infrastructure improvements;

\$300,000 for Sisseton, South Dakota, for stormwater improvements;

\$750,000 for the City of Pikeville and Bledsoe County, Pikeville, Tennessee for water infrastructure improvements;

\$500,000 for the Watauga River Regional Water Authority, Carter County, Tennessee for planning and construction of regional water infrastructure facilities;

\$750,000 for the Walden's Ridge Water System, Hamilton County, Tennessee for water infrastructure improvements;

\$500,000 for the San Antonio Water System, Texas for water infrastructure improvements at KellyUSA;

\$650,000 for the Lower Rio Grande Morillo Drain Rehabilitation project in the Lower Rio Grande Valley of Texas;

\$800,000 for the Canyon Lakes Water Reuse Project in Lubbock, Texas for construction related costs to with the water system infrastructure;

\$350,000 for the Abilene Brekenridge Reservoir project in Abilene, Texas for drinking water infrastructure;

\$400,000 for the Pharr Wastewater Collection System in Pharr, Texas to update the wastewater system infrastructure;

\$300,000 for the City of Brekenridge, Texas wastewater and sewer infrastructure project;

\$500,000 for the City of Hillsboro, Texas wastewater and sewer infrastructure project;

\$1,250,000 for the Town of Colchester, Vermont for wastewater infrastructure improvements;

\$1,000,000 for the Town of Waitsfield, Vermont for wastewater infrastructure improvements;

\$400,000 for the Fairfax County Water Authority, Virginia for the drinking water infrastructure improvements associated with the Electric Reliability project;

\$300,000 for Caroline County, Virginia for the Dawn Wastewater Treatment project;

\$400,000 for the City of Norfolk, Virginia for the Norfolk Sewer and Water Infrastructure Replacement;

\$300,000 for the City of Holladay, Utah, for water infrastructure improvements associated with the Wayman Storm Drain Project;

\$500,000 for the Magna Water Company an Improvement District, Magna, Utah, for water infrastructure improvements associated with the perchlorate & arsenic treatment plant;

\$400,000 for the City of Logan, Utah for water infrastructure improvements;

\$400,000 for Park City, Utah for water infrastructure improvements associated with the Judge and Spiro Tunnel treatment plant;

\$400,000 for the City of Riverton, Utah for water infrastructure improvements;

\$400,000 for the City of Orem, Utah for water infrastructure improvements;

\$500,000 for Sandy City, Utah for water infrastructure improvements;

\$100,000 for the Jordan Valley Water Conservancy District, Utah for the Groundwater Extraction and Treatment Remedial Project;

\$500,000 for Sandy City, Utah for drinking water and storm water infrastructure improvements;

\$400,000 for the City of Battle Ground, Washington for sewer infrastructure improvements;

\$750,000 for the Port of Walla Walla, Washington for the Burbank Water System improvements;

\$500,000 for the City of Kennewick, Washington for drinking water infrastructure improvements;

\$500,000 for Skamania County Public Utilities District in Carson, Washington for water infrastructure improvements;

\$250,000 for Squaxin Island Tribe in Shelton, Washington for water and wastewater infrastructure improvements;

\$1,000,000 for the Milwaukee Metropolitan Sewerage District in Wisconsin for sewer infrastructure improvements;

\$1,000,000 for the City of Racine, Wisconsin for water infrastructure improvements; and

\$600,000 for the City of Sun Prairie, Wisconsin for water and wastewater infrastructure improvements.

The Committee includes a total of \$140,000,000 for Brownfields activities within this account. These funds augment funding of \$25,000,000 included in the Environmental Programs and Management account for fiscal year 2005, a total of \$165,000,000 for EPA Brownfields program.

The Committee has included bill language, as carried in previous appropriations acts, to clarify that drinking water health effects studies are to be funded through the science and technology account.

The Committee has also included bill language, as requested by the administration and as carried in previous appropriations acts, to: (1) permanently extend the authority for States to transfer funds between the Clean Water SRF and the Drinking Water SRF; (2) waive the one-third of 1 percent cap on the Tribal set aside from non-point source grants; (3) increase to 1.5 percent the cap on the Tribal set-aside for the Clean Water SRF; (4) require that any funds provided to address the water infrastructure needs of colonias within the United States along the United States-Mexico border be spent only in areas where the local governmental entity has established an enforceable ordinance or rule which prevents additional development within colonias that lacks water, wastewater, or other necessary infrastructure; and (5) change the limitation on the amounts of the SRF a state can use for administration.

The Committee believes that public health officials, mosquito control districts, irrigation districts, farmers, ranchers, and foresters who lawfully apply herbicides, pesticides, insecticides, and fire retardants—to safeguard production of food and fiber, protect life, property and habitat, limit the spread of West Nile virus, and combat invasive weeds—should not be limited from conducting these essential activities by uncertain Federal regulation. The Committee urges EPA to finalize existing EPA guidance of July 11 and September 3, 2003 on pesticide and fire retardant use, and further to maintain and clarify the long standing distinction between the many agriculture and silviculture activities that do or do not

require permits. The Committee expects EPA to complete these actions by December 2004.

In addition, the Committee directs the EPA not to use any of the funds appropriated or otherwise made available in this Act to make a direct assistance grant to a national association or group of associations whose membership includes State program administrators without such association or group of associations first obtaining written approval from each member State. If one or more member States do not give their advance approval, EPA may make the direct assistance grants to the association with an amount deducted from the total available direct assistance grant amount based on the States' population as a percentage of the total membership's population times the available amount and direct those deducted funds to the individual States.

ADMINISTRATIVE PROVISIONS

The Committee has included bill language, as proposed in the budget request and as carried in previous appropriations acts, permitting EPA, in carrying out environmental programs required or authorized by law in the absence of an acceptable tribal program, to use cooperative agreements with federally-recognized tribes and inter-tribal consortia.

The bill includes a provision to extend eligibility to Brownfields sites that were purchased prior to the enactment of the Small Business Liability Relief and Brownfield Revitalization Act of 2001.

The bill also includes a provision that allows EPA to permit the use of funds for reasonable administrative costs.

The Committee has included bill language allowing personnel authority for the Office of Research and Development.

The bill includes a provision instructing the EPA to submit clearer budget justifications.

The Committee includes language authorizing the EPA to collect and obligate pesticide registration service fees in accordance with section 33 of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended.

The bill includes a provision that makes several technical corrections to a provision in the fiscal year 2004 bill regarding regulation of small engines under the Clean Air Act.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

Appropriations, 2004 .....	\$6,986,000
Budget estimate, 2005 .....	7,081,000
Committee recommendation .....	7,081,000

PROGRAM DESCRIPTION

The Office of Science and Technology Policy [OSTP] was created by the National Science and Technology Policy, Organization, and Priorities Act of 1976 (Public Law 94-282) and coordinates science and technology policy for the White House. OSTP provides authoritative scientific and technological information, analysis, and advice for the President, for the executive branch, and for Congress; participates in formulation, coordination, and implementation of na-

tional and international policies and programs that involve science and technology; maintains and promotes the health and vitality of the U.S. science and technology infrastructure; reviews and analyzes, with the Office of Management and Budget, the research and development budgets for all Federal agencies; and coordinates research and development efforts of the Federal Government to maximize the return on the public's investment in science and technology and to ensure Federal resources are used efficiently and appropriately.

OSTP provides support for the National Science and Technology Council [NSTC].

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$7,081,000 for the Office of Science and Technology Policy. This amount is the same as the budget request and \$95,000 above the fiscal year 2004 enacted level.

The Committee believes the President's Science Advisor should continue to play an integral role in advising the President on the appropriate balance among and between disciplines and agencies in the Federal R&D portfolio. The Committee also expects the Science Advisor will conduct effective outreach to the science and engineering community and be an active and influential advisor to the President on important public policy issues grounded in science and technology.

The Committee notes that the Government share for R&D funding has declined substantially over the last 15 years. However, industry's dependence on public R&D for innovation remains very high. Nearly three quarters of U.S. industry patents cite publicly funded science as the basis for the invention. The Committee is concerned that further reductions in public funding for science and engineering could result in a decrease in the private sector's capacity to innovate.

The Committee is also concerned about the adequacy of this Nation's scientific and technical workforce, and the efforts needed to boost the participation of women and minorities in the science and engineering workforce. The Committee urges OSTP to work with the relevant agencies on the development of policies and in the allocation of resources to address these issues effectively.

The Committee reiterates its long standing interest in improving coordination and cooperation among the various R&D agencies under the auspices of OSTP and the National Science and Technology Council [NSTC].

The Committee directs OSTP to contract with the National Academy of Science to assess the cost and manner in which all Federally funded agencies and entities award and pay science grants and stipends. OSTP and the Academy are directed to consult with the Committee on this assessment.

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

Appropriations, 2004 .....	\$3,219,000
Budget estimate, 2005 .....	3,284,000
Committee recommendation .....	3,284,000

PROGRAM DESCRIPTION

The Council on Environmental Quality/Office of Environmental Quality was established by the National Environmental Policy Act and the Environmental Quality Improvement Act of 1970. The Council serves as a source of environmental expertise and policy analysis for the White House, Executive Office of the President, and other Federal agencies. CEQ promulgates regulations binding on all Federal agencies to implement the procedural provisions of the National Environmental Policy Act and resolves interagency environmental disputes informally and through issuance of findings and recommendations.

COMMITTEE RECOMMENDATION

The Committee has provided \$3,284,000 for the Council on Environmental Quality, an increase of \$65,000 above the fiscal year 2004 enacted level and equal to the budget request. The Committee directs CEQ to provide quarterly reports on all ongoing activities, including use of detailees and agency representatives.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

Appropriations, 2004 .....	\$30,125,000
Budget estimate, 2005 .....	30,125,000
Committee recommendation .....	30,625,000

PROGRAM DESCRIPTION

The FDIC Office of Inspector General conducts audits, investigations, and other reviews to assist and augment the FDIC's contribution to the stability of, and public confidence in, the Nation's financial system. A separate appropriation more effectively ensures the OIG's independence consistent with the Inspector General Act of 1978, as amended and other legislation.

COMMITTEE RECOMMENDATION

The Committee recommends \$30,625,000 for the FDIC inspector general, an increase of \$500,000 over the budget request and the fiscal year 2004 level. Funds are to be derived by transfer from the bank insurance fund, the savings association insurance fund, and the FSLIC resolution fund.

The Committee is concerned that the administration has not provided the necessary financial support that is needed to ensure that the FDIC IG can continue to meet the high standards that it has demonstrated in the past with regard to audits, investigations and oversight. These are valuable contributions that emphasize the integrity of the FDIC's efforts in maintaining stability and public confidence in the Nation's banking system. Without additional funds as provided by the Committee, this will be the ninth consecutive year that the FDIC IG budgets have decreased after adjusting for inflation. This means that the FDIC IG will be forced to downsize its staffing and lose valuable and needed expertise.

## GENERAL SERVICES ADMINISTRATION

## FEDERAL CITIZEN INFORMATION CENTER FUND

Appropriations, 2004 .....	\$13,918,000
Budget estimate, 2005 .....	14,907,000
Committee recommendation .....	14,907,000

## PROGRAM DESCRIPTION

The Federal Citizen Information Center [FCIC] successfully brings together an array of U.S. Government information and services and makes them easily accessible to the public. This information is made available on the web, via e-mail, in print, or over the telephone.

Originally established within the General Services Administration [GSA] by executive order on October 26, 1970, to help Federal departments and agencies promote and distribute printed consumer information, FCIC has evolved and consolidated a variety of complementary functions to augment the original print and media channels through which it informed the public.

On January 28, 2000, the FCIC assumed responsibility for the operations of the Federal Information Center [FIC] program. The FIC program was established within the General Services Administration in 1966, and was formalized by Public Law 95-491 in 1980. The program's purpose is to provide the public with direct information about all aspects of Federal programs, regulations, and services. To accomplish this mission, contractual services are used to respond to public inquiries via the nationwide toll-free National Contact Center.

On June 30, 2002, FCIC assumed operational control of the FirstGov.gov website, the official portal of the U.S. Government, and became a critical part of GSA's newly established Office of Citizen Services and Communications. This Office brings together all of GSA's citizen-centered programs. The new Office serves as a central Federal gateway for citizens, businesses, other governments, and the media to easily obtain information and services from the Government. On March 31, 2003, FCIC began accepting e-mail and fax inquiries from the public through the FirstGov.gov website and responds to them at its National Contact Center.

Public Law 98-63, enacted July 30, 1983, established a revolving fund for the FCIC. Under this fund, FCIC activities are financed from the following: annual appropriations from the general funds of the Treasury, reimbursements from agencies for distribution of publications and contact center services, user fees collected from the public, and any other income incident to FCIC activities. All are available as authorized in appropriation acts without regard to fiscal year limitations.

## COMMITTEE RECOMMENDATION

The Committee recommends \$14,907,000 for the Federal Citizen Information Center, an increase of \$990,000 above the fiscal year 2004 enacted level and equal to the budget request.

The appropriation will be augmented by a projected \$706,000 reimbursements from Federal agencies for distribution of consumer

publications, user fees from the public, and other income. FCIC's anticipated resources for fiscal year 2005 will total approximately \$15,613,000.

As FCIC responsibilities continue to expand to serve better the public within this recently established GSA organization, the Committee emphasizes that the funds appropriated from this account are solely available for FCIC staffing and activities to achieve its core mission as presented to and approved by the Committee.

UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS

OPERATING EXPENSES

Appropriations, 2004 .....	\$1,491,000
Budget estimate, 2005 .....	1,500,000
Committee recommendation .....	1,500,000

PROGRAM DESCRIPTION

The United States Interagency Council on Homelessness is an independent agency created by the McKinney-Vento Homeless Assistance Act of 1987 to coordinate and direct the multiple efforts of Federal agencies and other designated groups. The Council was authorized to review Federal programs that assist homeless persons and to take necessary actions to reduce duplication. The Council can recommend improvements in programs and activities conducted by Federal, State and local government as well as local volunteer organizations. The Council consists of the heads of 18 Federal agencies such as the Departments of Housing and Urban Development, Health and Human Services, Veterans Affairs, Agriculture, Commerce, Defense, Education, Labor, and Transportation; and other entities as deemed appropriate.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,500,000 for the United States Interagency Council on Homelessness [ICH], the same level as the budget request and \$9,000 more than the fiscal year 2004 enacted level. These funds are for carrying out the functions authorized under section 203 of the McKinney-Vento Homeless Assistance Act.

The Committee fully supports the ongoing work of the ICH to develop a comprehensive and coordinated strategy for ending and preventing homelessness. To that end, the Committee supports the ICH's efforts to work with local and State governments in developing and implementing performance based, results oriented strategic plans to end chronic homelessness in 10 years. In developing the 10-year plans, the Committee strongly urges the ICH to assist the local and State governments in developing clear and detailed business plans that outline the sources of public and non-public sources to achieve the goal of ending chronic homelessness in 10 years.

Further, while the administration has taken some positive steps towards ending chronic homelessness such as proposing a new Samaritan Initiative, the Committee needs a clear sense of how the administration intends to achieve its goal of ending chronic homelessness. Accordingly, the Committee directs the ICH to submit a plan on how the Federal Government will achieve the goal of end-

ing chronic homelessness in 10 years. This plan should include details on the specific funding commitments, roles and responsibilities of all of the member agencies of the Council, and the incentives, requirements and resources needed to achieve its goal.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Appropriations, 2004 .....	\$15,378,248,000
Budget estimate, 2005 .....	16,244,000,000
Committee recommendation .....	15,579,500,000

GENERAL DESCRIPTION

The National Aeronautics and Space Administration [NASA] was established by the National Aeronautics and Space Act of 1958 to conduct space and aeronautical research, development, and flight activities for peaceful purposes designed to maintain U.S. pre-eminence in aeronautics and space. NASA's unique mission of exploration, discovery, and innovation is intended to preserve the United States' role as both a leader in world aviation and as the pre-eminent space-faring Nation. It is NASA's mission to: advance human exploration, use and development of space; advance and communicate scientific knowledge and understanding of the Earth, the Solar System and the Universe; and research, develop, verify and transfer advanced aeronautics and space technologies.

COMMITTEE RECOMMENDATION

The Committee recommends \$15,579,500,000 for the National Aeronautics and Space Administration for fiscal year 2005, an increase of \$201,252,000 above fiscal year 2004, and a decrease of \$664,500,000 below the President's request.

Early this year the President announced a vision to return man to the Moon and eventually to Mars. This vision has provided an overall direction for NASA. Such a Presidential vision has been missing from NASA for many years. While many programs at NASA have been working, in some cases exceptionally, a comprehensive initiative to orient the mission of NASA has been lacking. The Committee is supportive of the vision, but has reservations about the low level of details provided in the fiscal year 2005 budget request on how this vision will be accomplished.

The Committee has modified the account structure as proposed under the budget request of NASA. The Committee has transferred the appropriate activities to reflect the two newly created accounts of Exploration, Science and Aeronautics, and Exploration Capabilities. Exploration, Science and Aeronautics will contain the enterprises of Space Science, Earth Science, Biological and Physical Research, Aeronautics, and Education. The Exploration Capabilities account will contain the funding for the International Space Station [ISS], Space Shuttle, Human and Robotic Technology, Transportation Systems, and Space Flight Support. The account of the Office of the Inspector General will remain unchanged. These account revisions are being made to accommodate NASA's new vision.

By providing a vision, the President has prompted a discussion about what NASA could do, or should be doing. The budget NASA has presented to the Committee outlines the plan for implementing the vision, yet does not provide sufficient details for the technical

and scientific goals to be reached by embracing the vision. The Committee understands that as any plan moves forward, particularly in an area of high risk such as space, that adjustments in time and budget will be necessary. However, a sufficient framework must be established prior to embarking on a path that may ultimately cost hundreds of billions of dollars.

NASA's new vision maps out an aggressive role for the United States in both manned and unmanned space exploration. However, the potential out-year costs are substantial and will likely be very difficult to sustain. In addition, the Committee believes that there must be a commitment to those activities at NASA that are already underway. The Shuttle program and the construction of the ISS continue to be the primary focus of the Nation's manned space flight activities. Nevertheless, the Committee believes that a replacement for the Space Shuttle's manned and heavy lift capabilities must be considered as part of any plan for continued human access to space.

The Committee is concerned that the current implementation plans for the new vision do not properly address the requirements and development for the heavy lift capability that may be necessary to carry out the proposed vision. A complete review of such plans must be conducted prior to embarking fully upon the implementation of the proposed vision. In order to assess heavy lift capability needs, NASA shall report to the Committee, no later than 6 months from the enactment of the appropriations act which accompanies this report, regarding NASA's heavy lift capability needs and long-term plans. NASA is encouraged to look at concepts currently being developed in the Falcon program with DARPA that could have an impact on future heavy lift program development.

NASA has the opportunity to lay the groundwork for a successful implementation of the proposed vision. The current budget justification does not provide the details the Committee expects to see for such a dramatic undertaking. The Committee expects NASA to take initial steps for implementing the vision in fiscal year 2005, and to provide year-by-year budgetary and developmental goals related to the vision for the next 5 years, along with 10-year summary budget totals, in the fiscal year 2006 request.

NASA has presented a timeframe for the retirement of the Shuttle program which assumes an end in the program around 2010. This timeframe is essential if resources are to be available for the Crew Exploration Vehicle [CEV] in order to meet a potential Moon mission between 2015 and 2020. If there are delays in the Shuttle program that push retirement beyond 2010, then funds for CEV development will also be delayed. At a time when the Shuttle fleet continues to be grounded, the Committee feels that the schedule NASA has presented is overly ambitious and optimistic.

As part of the proposed exploration vision, NASA will begin to phase-out existing programs in order to accommodate the vision. These plans must be clearly identified in order for NASA to smoothly transition older programs to make way for missions associated with the vision. As part of this process, the Committee directs NASA to include in all future budget justifications the phase-out schedules and any out-year termination dates of its programs.

The current Federal fiscal environment is not favorable to supporting completely the budget NASA has presented for fiscal year 2005. The out-year costs also seem overly optimistic at time when both the administration and Congress are committed to reducing the Federal budget deficit. However, steps toward laying the foundation of future NASA initiatives must be taken in order for there to be a future for many NASA activities once the Shuttle program is retired and the International Space Station is completed.

The Committee is also concerned that NASA will neglect areas that will only tangentially benefit from, or that do not fit within, the proposed vision. Within the fiscal year 2005 budget request, programs and infrastructure are proposed to be deferred, or cancelled, in such areas. These programs appear to be the sacrifices for the near-term budgetary resources needed to facilitate the implementation of the new Moon/Mars vision.

The new national space policy to proceed with human and robotic exploration of the Moon, Mars, and beyond has profound implications for all of the science conducted by NASA. While the Committee applauds those goals, it is concerned that the strong, balanced science program that has served the Nation so successfully for many years should be nurtured and sustained as the new policy is implemented. That science program has been based on a set of carefully crafted scientific strategies that are founded on scientific and technical merit, relevance to overall national needs, and broad consultation with the scientific community via the National Academy of Sciences. Consequently, the Committee directs the National Academies' Space Studies Board to conduct a thorough review of the science that NASA is proposing to undertake under the new policy and to develop a strategy by which all of NASA's science disciplines, including Earth science, space science, and life and microgravity science, can make adequate progress towards their established goals, as well as providing scientific research in support of the new policy. Further, the Committee is troubled by the abrupt and seemingly unilateral decision to alter the science conducted aboard the ISS to focus solely on biological and physiological research without any consultation with or authorization by Congress. As part of the scientific review, the National Academy of Sciences shall also consider the new direction of research proposed by NASA on the ISS and whether it is compatible with the overall national research needs identified in past Academy reports. In addition, the Committee directs NASA to report to the Committee on Appropriations on whether this change in focus should require a change in the overall requirements for the completion of the ISS. An amount of \$250,000 is appropriated for this purpose. The Space Studies Board report should be available in time for Congressional consideration of the fiscal year 2006 Appropriation for NASA. Prior to receipt and consideration of the report, NASA is directed to maintain a balanced science program that follows priorities that have been recommended by the National Academy of Sciences and agreed to by Congress.

It has been over 1 year since the Columbia tragedy, which has led to adjustments to both the shuttle program and the International Space Station [ISS]. The current plan assumes that the shuttle program will resume flight operations in March 2005 if all

things go according to schedule. The Committee understands that these programs, as well as many others, pose very difficult and technological challenges for NASA and can become subject to delay. Nevertheless, where there are delays in programs and activities, NASA often ends up paying additional costs to maintain the skilled workforce to protect the institutional memory of the delayed program or activity, regardless of the reason for the delay. These costs associated with maintaining the workforce will continue to cut into the resources available for other programs at NASA and into program reserves. NASA should review these effects and determine if there is a more effective method for dealing with such circumstances in the future.

Finally, for fiscal year 2005 and each year thereafter, the Committee directs NASA to include the out-year budget impacts on all reprogramming requests. The operating plan and all resubmissions also shall include a separate accounting of all program/mission reserves.

The Committee remains concerned that NASA needs to reform its contracting process to ensure timely delivery of both services and hardware. The Committee directs the NASA Inspector General to issue a list of contracting “trouble” areas with recommendations to address these areas. The Committee understands that this is no easy project, but expects NASA and the NASA IG to respond to these concerns with a package of proposed contracting reforms that can begin to be implemented in fiscal year 2005. The Committee also is concerned that NASA does too much sole source contracting and that sole source contracting can stifle competition and discourage new investment in space-related activities. The Committee directs NASA to submit to the House and Senate Committees on Appropriations each intention by NASA to enter into a sole source contract no later than 10 days before a contract is let; this requirement shall apply to all contract modifications of more than \$500,000 where a new contractor is involved or a new activity is added to an existing contract.

EXPLORATION CAPABILITIES

Appropriations, 2004 .....	\$7,467,884,000
Budget estimate, 2005 .....	8,526,400,000
Committee recommendation .....	7,811,100,000

GENERAL DESCRIPTION

NASA’s “Exploration Capabilities” [EC] account provides for the full costs associated with the capabilities that support Agency research, which consist of the Exploration Systems and Space Flight Enterprises. The full costs include both the direct and the indirect costs supporting these programs, and provide for all of the research; development; operations; salaries and related expenses; design, repair, rehabilitation, and modification of facilities and construction of new facilities; maintenance and operation of existing facilities; and other general and administrative activities supporting Exploration Capabilities programs.

## COMMITTEE RECOMMENDATION

The Committee has provided \$7,811,100,000 for the Space Flight Capabilities account. This amount is \$715,300,000 below the President's request for these activities in fiscal year 2005 and \$343,216,000 above the fiscal year 2004 enacted level.

The Committee has included an additional \$500,000,000 in emergency funding for the Space Shuttle to implement the recommendations of the Columbia Accident Investigation Board and other costs associated with return to flight activities.

*Space Shuttle.*—The Committee continues to believe that there is no higher priority than improving the safety and reliability of the remaining Shuttle orbiters. The Shuttle remains the cornerstone of our Nation's heavy launch capability and is critical to the future of the International Space Station [ISS] and scientific research. The future of the ISS, and other U.S. manned space flight missions for the rest of the decade are contingent upon having a working Shuttle fleet that is safe and reliable throughout the remaining years of the shuttle program. The Committee is concerned that as the Shuttle and the Shuttle infrastructure continue to age, further challenges in operating the fleet may arise.

The Committee remains committed to the continued safety of the Shuttle program as its highest priority. It is of paramount importance that there be transparency in all documentation of shuttle safety provided to the Committee, and that this information contain details of NASA's current, and future, safety efforts.

The Committee recommends that funding for the Shuttle be \$4,319,200,000, the same as the level within the request of the administration. This will allow NASA to have funds readily available to make a return to flight as soon, and as safely as possible. More importantly, the shuttle funds that are provided within this account are dedicated solely to shuttle funding needs. If necessary, NASA may only seek additional funds by transfer from other activities within the Exploration Capabilities account.

The Committee also directs NASA to keep the Committee informed, in writing, of any reprogramming of funds related to the shuttle program, as well as including the out-year impacts on all activities involved in the reprogramming.

Finally, the Committee expects regular consultations by NASA on all proposed changes to investments in the Shuttle program. These consultations should occur before final decisions are made to the program.

*Space Station.*—The Committee notes that the International Space Station [ISS] continues to operate at a reduced level with future construction not expected to begin until 2005. The current crew of two cannot fully utilize the capabilities of the ISS for the research it was intended to facilitate, and the caretaker role of the astronauts does not currently justify the funds requested for operations of the ISS. Despite the ability of the international partners to fill the gap created by the grounding of the shuttle fleet, the capabilities of the ISS have been dramatically diminished. Accordingly, the Committee has reduced funding for the ISS by \$120,000,000.

As soon as the Shuttle is available to provide access to the ISS, the Committee is adamant that NASA provide the Committee with a plan detailing the steps necessary to complete construction of the ISS. This plan may include completion of the ISS by only using the shuttle, or a combination of shuttle and unmanned flights for delivering components to the ISS. The cost implications associated with the revised schedule must be included in the plan that is submitted to the Committee no less than 30 days after the successful return-to-flight of the shuttle program. The report should also contain a timeline, in conjunction with the construction timetable for the ISS, for the eventual transition to a new manned launch vehicle.

As construction of the ISS resumes, revised plans for the future of the ISS must also be set. If there is to be a redirection of the research to be conducted onboard the ISS, any revision shall be done in consultation with the ISS partners. These partners will be affected by such actions, and their participation to this point has been both crucial and beneficial. If NASA intends to have international partners for future space exploration, then NASA should be sure not to exclude its current partners in making decisions involving the research direction and construction schedule of the ISS.

Finally, the Committee has chosen not to fund the proposed new project for ISS crew and cargo services. The current plan anticipates the need for such services from the time after the Shuttle fleet is retired until future capability to reach the ISS is available around 2014. The current ISS construction plan is contingent upon an aggressive launch schedule that has yet to begin. It is unclear what the requirements are for these services, that such a schedule can be achieved, that the potential gap in service to the ISS will even occur, or that the gap could be longer than anticipated. Until there is further clarity regarding when and to the extent such services will necessary, the Committee is not inclined to provide resources for such an effort.

*Crew Exploration Vehicle.*—The Committee is prepared to commit funds to the Crew Exploration Vehicle [CEV], but is concerned that there has not been enough initial planning to determine what specific capabilities the CEV should have. The determination of the right capabilities should naturally come from a carefully thought-out plan and goals, which have yet to emerge from the implementation of the Moon/Mars vision. The current vehicle offered by NASA resembles a work-in-progress, rather than a firm definition of what is necessary to accomplish missions to the ISS, as well as future manned missions.

While the Committee feels that a plan with sufficient details on cost and accountability for any subsequent budget overruns will eventually emerge, the time to lay the proper groundwork for such an ambitious vision is prior to heading down the path, not on the way.

During the time that the Shuttle program has been working to complete the ISS, NASA has endeavored to develop a separate manned vehicle many times. NASA has invested hundreds of millions into these programs, yet there has been little progress toward having the manned vehicle that these programs have promised. While incremental advances in technology have been gained, a

comparable amount of return for the funds invested has not been realized.

In order to ensure that such a fate does not befall the CEV, the Committee expects NASA to provide a report to the Committee that details the criteria and developmental goals the CEV must meet to accomplish the missions envisioned by NASA within 60 days of enactment of this bill. The report shall also include the internal and independent procedures that will be in place to ensure that the CEV will stay within its budget throughout its development.

As NASA begins to consider another manned vehicle program, the Committee does not want to repeat the mistakes of the Space Station, where poor management and lack of independent oversight resulted in major cost overruns, to occur with the CEV. At this early stage in the development of the CEV, it is essential that these mistakes not happen again. Therefore, the Committee directs the Administrator to identify an independent oversight committee to examine the design, technology readiness and cost estimates for the CEV. The Administrator shall use available funds within the Exploration Capabilities account to provide sufficient resources for this Committee. The chosen oversight committee shall report to the Administrator and the Committees on Appropriations annually on their findings and recommendations.

In order to allow for the initiation of the CEV, the Committee recommends a funding level of \$268,000,000. This will allow for a modest start for this ambitious program, and still allow NASA the time needed to refine its plans for the vehicle in time for a full start in the fiscal year 2006 budget request.

It is not clear to the Committee that NASA has given appropriate consideration to the propulsion requirements of the President's space exploration initiative. Therefore, the Committee directs NASA to report to the House and Senate Committees on Appropriations, within 180 days of enactment of the Act accompanying this report, on the propulsion systems that will be required to implement Project Constellation. This report should include, but not be limited to, all elements of the Earth-to-Orbit propulsion systems, in-space propulsion systems and propulsion systems for landing/ascent craft.

The Committee acknowledges the desire of NASA to attempt to replicate the efforts of the X-Prize in the proposed Centennial Challenges program. The Committee allocates \$10,000,000 for the Centennial challenges in order for NASA to initiate what may be a useful tool for NASA. The Committee will not entertain further requests for funds to this program until a thorough review of program, and the results of any proposed competitions, is conducted on the effectiveness of the Centennial Challenges program.

The Committee does not include the funding requested for the technology maturation program.

Finally, the Committee funds the entire Prometheus program at \$430,000,000. Although portions of Prometheus are found within other accounts at NASA, the Committee has chosen to reflect a total funding level for this program. Within the funds provided, the Committee provides \$10,000,000 for nuclear thermal propulsion at the Marshall Space Flight Center. The Committee encourages

NASA to do a study on the feasibility of non-nuclear energy and power in regards to the Prometheus program.

The Committee recognizes that modeling and simulation will have an important role in assessing the overall system development and performance in the President’s vision for space exploration. The Committee continues to believe that simulated integrated systems, including testing and evaluation, will substantially reduce the system’s complexity as well as the total development costs of future space transportation systems by formulating and validating program requirements and by identifying and mitigating program risks as early as possible in the development process. The Committee has included \$3,000,000 for NASA’s Office of Exploration Systems to develop and implement an integrated system simulation strategy to take full advantage of modeling and simulation and evaluation tools.

EXPLORATION, SCIENCE AND AERONAUTICS

Appropriations, 2004 .....	\$7,883,225,000
Budget estimate, 2005 .....	7,760,000,000
Committee recommendation .....	7,736,500,000

PROGRAM DESCRIPTION

NASA’s ‘Exploration, Science and Aeronautics’ [ESA] account provides for the full costs associated with the Exploration, Science and Aeronautics [ESA] activities of the Agency, which consist of the Space Science, Earth Science, Biological and Physical Research, Aeronautics, and Education Programs. The full costs include both the direct and the indirect costs supporting these programs, and provide for all of the research; development; operations; salaries and related expenses; design, repair, rehabilitation, and modification of facilities and construction of new facilities; maintenance and operation of existing facilities; and other general and administrative activities supporting Exploration, Science and Aeronautics programs.

COMMITTEE RECOMMENDATION

The Committee recommends \$7,736,500,000 for the Science, Aeronautics and Exploration account, a decrease of \$23,500,000 below the President’s request and \$146,725,000 below the fiscal year 2004 enacted level. Within this account, the Committee directs NASA not to charge any administrative expenses to congressionally directed spending on specific projects. These costs should be absorbed within the funding provided in this account.

The Committee has included an additional \$300,000,000 in emergency funding for a servicing mission to the Hubble Space Telescope.

*Space Science.*—The activities of NASA’s Space Science Enterprise seek to chart the evolution of the universe, from origins to destiny, and understand its galaxies, stars, planetary bodies, and life. The Enterprise asks basic questions that have perplexed human beings, such as how the universe began and evolved and whether there is other intelligent life in the universe.

The quest for this information, and the answers themselves, are intended to maintain scientific leadership, excite and inspire our

society, strengthen education and scientific literacy, develop and transfer technologies to promote U.S. competitiveness, foster international cooperation to enhance programs and share their benefits, and set the stage for future space ventures.

The Committee anticipates that there will be a Hubble servicing mission which, at this time, is not a part of the fiscal year 2005 budget submission. Once the study being conducted by the National Academy of Sciences is completed, the Committee will consider any appropriate funding options presented by NASA. NASA should consider a servicing mission a priority.

The Committee funds the Mars Programs and Architecture at \$75,600,000, an increase of \$8,900,000 over the fiscal year 2004 enacted level.

The Committee has provided \$20,000,000 for the Lunar Reconnaissance Orbiter [LRO], a reduction of \$50,000,000 from the budget request reflecting the difficult spending allocation within which the subcommittee has been forced to operate. NASA should continue with its announcement of opportunity for scientific instruments with these funds. However, in establishing the criteria for instrument selection, not less than 25 percent of the LRO's scientific instrumentation funding should be explicitly dedicated to building instruments focused solely on answering basic science questions. The Committee is concerned that the lunar measurement investigations to be carried out by the LRO mission, intended to characterize future robotic and human lunar landing sites, will forgo the opportunity for research and focus only on applied engineering assessments. The current proposed AO focuses solely on the human exploration objectives of the potential mission. Since the LRO is allocated against NASA's space science budget, the Committee believes that fundamental lunar science questions should be addressed in a significant fashion through instruments on this spacecraft. The Committee encourages NASA, as part of the LRO development, to consider the research instrumentation opportunities as well as technology qualification, navigation and communications capabilities, and resource identification technologies to maximize the opportunities of this first lunar mission.

The Committee is troubled by the proposed reductions to the Living With a Star [LWS] program. The Committee is also concerned about the growth of the Solar Dynamics Observatory [SDO] particularly under full cost accounting guidelines and is capping the mission at \$646,100,000, included in the budget request. To meet the original goals of the LWS program, which this Committee has endorsed, the Committee is providing an additional \$25,000,000 for the LWS theme in 2005 to be allocated as follows: \$5,000,000 for the solar probe mission; \$15,000,000 to begin implementation of Geospace and \$5,000,000 for preliminary studies of solar sentinels. Furthermore, the Committee directs NASA to develop a plan to guarantee launch of Geospace and SDO within 1 year of each other with solar sentinels to follow in a reasonable time thereafter.

The Committee also provides \$3,000,000 and up to eight FTE's to establish a NASA program office at the Applied Physics Laboratory [APL] for the purpose of administering all existing contracts between NASA and APL, including those under the LWS Program.

The APL program office will report directly to the Associate Administrator for Science.

The Committee expects NASA to provide the necessary funding for the Pluto-Kuiper Belt mission in 2005 to ensure the mission is launched on schedule. The Committee expects NASA to submit any request for additional funds through the operating plan.

The Committee notes the progress made to successfully launch the New Horizons mission in 2006 and expects NASA to aggressively work to meet that schedule. The Committee is aware that recent problems with the Department of Energy's plutonium production will likely leave New Horizons with insufficient fuel to make its scheduled Kuiper Belt orbit after its Pluto mission. For this reason, the Committee has also allocated an additional \$4,000,000 from the New Frontiers line to undertake a detailed study of the feasibility for a New Horizons II mission, to be launched within the near-term, if the study results can justify the scientific return for such a follow-on mission, at a price considerably less than the original New Horizons mission. Such a study should have its results submitted to the Committee on Appropriations by April 15, 2005.

NASA is directed to consult with the Committee on program management for the Discovery and New Frontiers programs. The Committee notes that NASA has transferred management of the Discovery and New Frontiers programs out of headquarters. Therefore, the Committee directs that the Office of the Associate Administrator for Science shall be reduced by 10 FTE's and transferred to the appropriate NASA Centers. Furthermore, the Committee prohibits the transfer of any FTE's or other personnel into the Office of the Associate Administrator for Science without the approval of the Committees on Appropriations.

The Committee directs NASA to select competitively some of the scientific instruments for the Terrestrial Planet Finder mission. The Committee allocates \$15,000,000 of the \$52,900,000 contained in the budget request to establish a competitive advanced technology development program among universities and non-profit organizations with experience in relevant fields to provide scientific instruments for the TPF mission. The TPF budget profile beyond 2005 should articulate a critical path-with requisite financial resources-to down select from these teams, as well as any currently existing intramural teams, for flight instruments.

The Committee has made the following adjustments to the budget request:

An increase of \$1,000,000 for University of Idaho for RTULP Electronics for Space Applications.

An increase of \$1,000,000 for Utah State University in Logan, Utah for the Calibration Center.

An increase of \$300,000 to the University of Missouri at Rolla for the Advanced Millimeter Wave Inspection System program.

An increase of \$3,000,000 to New Mexico State University for the ultra-long balloon program to augment planned flights and technology development.

An increase of \$4,000,000 for the Stennis Space Center for the commercial technology program.

An increase of \$4,000,000 for the Marshall Space Flight Center for the commercial technology program.

An increase of \$1,500,000 to Montana State University to purchase clean room systems and basic process equipment related to the microdevice fabrication facility.

An increase of \$1,000,000 for Texas Tech University Experimental Sciences Initiative, Lubbock, Texas to promote advanced and interdisciplinary research.

An increase of \$1,000,000 to the Southern Methodist University Multifab Facility in Dallas, Texas to develop multifabrication manufacturing technology.

An increase of \$2,000,000 to the University of North Dakota in Grand Forks for the Northern Great Plains Space Sciences and Technology Center.

An increase of \$4,000,000 to the University of Hawaii, Hilo for the Mauna Kea Astronomy Education Center.

An increase of \$1,000,000 to the University of Arkansas, Fayetteville, Arkansas for the Arkansas-Oklahoma Center for Space and Planetary Sciences.

*Earth Science.*—The activities of NASA's Earth Science Enterprise seek to understand the total Earth system and the effects of humans on the global environment. This pioneering program of studying global climate change is developing many of the capabilities that will be needed for long-term environment and climate monitoring and prediction. Governments around the world need information based on the strongest possible scientific understanding. The unique vantage-point of space provides information about the Earth's land, atmosphere, ice, oceans, and biota as a global system, which is available in no other way. In concert with the global research community, the Earth Science Enterprise is developing the understanding needed to support the complex environmental policy decisions that must be addressed.

The Committee believes that Earth science has been a critical part of a balanced space program long advocated by this Committee. The Committee remains fully committed to a robust Earth science program at NASA notwithstanding the recent headquarters reorganization plan. The Committee expects NASA to remain fully committed to Earth science, with future missions identified with 5 year funding profiles that reflect a serious commitment to Earth science as a vital part of the Nation's space program.

An increase of \$15,000,000 above the President's request for fiscal year 2005 for the NASA Earth Science Applications Program. This funding increase will be used to support competitively-selected applications projects. These projects will integrate the results of NASA's earth observing systems and earth system models (using observations and predictions) into decision support tools to serve applications of national priority including, but not limited to, Homeland Security, Coastal Management, Agriculture Efficiency, Water Management and Disaster Management.

The Committee is highly supportive of continuation of the ECS/EMD Synergy Program, reflecting the success of NASA's EOS Data Information System [EOSDIS] and its core system [ECS]. The Committee is providing \$15,000,000 for Synergy in 2005 with \$1,500,000 for the Battelle Pacific Northwest Laboratory's Infomart; not more than \$1,500,000 to support the transition of Synergy Infomart activities to the ESE Application Division to be

administered through a Cooperative Agreement [CAN] that will focus these funds toward meeting the needs of State, local and tribal governments and \$12,000,000 through the EOSDIS Maintenance and Development Contract to support an extension of the Synergy Data Pools to improve data distribution to climate change models, expansion of data distribution to the user community and development of a pilot project using grid computing technology.

The Committee remains supportive of NASA's Columbia Project to upgrade its supercomputing capacity, but insists that NASA's total supercomputing capability should not reside at one location in order that the Agency avoids a potential single point of failure for mission critical and safety of flight analyses. Therefore, the Committee has provided \$5,000,000 from within funds projected for the Columbia project to upgrade the Goddard Space Flight Center's Center for Computational Science [NCCS] to guarantee that it serves as NASA's backup supercomputing center with tier 1 system backup and disaster recovery functions, including full transfer capability in the event of a failure of the principal supercomputer facility.

Finally, the Committee supports the full budget request for the GLORY Global Climate Change research program mission including the Aerosol Polarimeter Sensor.

The Committee has made the following adjustments to the budget request:

An increase of \$390,000 for Pearl River Community College in Mississippi for remote sensing, geographic information system and GPS training.

An increase of \$1,000,000 for Idaho State University for the Temporal Landscape Change Research program.

An increase of \$3,000,000 for the University of Alaska for weather and ocean research.

An increase of \$1,000,000 to Utah State University in Logan, Utah for the Intermountain region Digital Image Archive and Processing Center.

An increase of \$750,000 for the University of Northern Iowa for the GeoTREE project.

An increase of \$1,500,000 to Montana State University-Bozeman for the Center for Studying Life in Extreme Environments.

An increase of \$1,000,000 for the University of Texas Mid-American Geospatial Information Center at the UT Center for Space Research in Austin, Texas to continue information collection through satellite imaging.

An increase of \$500,000 to the Liberty Science Center, Jersey City, New Jersey for the Hudson Harbor and Estuary Ecological Learning Center.

An increase of \$750,000 to the University of Connecticut for the Center for Land Use and Education Research.

An increase of \$750,000 to the University of Vermont, Burlington for the Center for Advanced Computing.

An increase of \$5,400,000 for the Wallops Island Flight Facility to be used for developing a standard small launch vehicle, universal FTS, doppler radar and launch modeling laboratory.

*Biological and Physical Research.*—NASA's Biological and Physical Research [BPR] Enterprise recognizes the essential role biology

will play in the 21st century and pursues the core of biological and physical sciences research needed to support NASA's strategic objectives. BPR fosters and enhances rigorous interdisciplinary research, closely linking fundamental biological and physical sciences in order to develop leading-edge, world-class research programs. BPR uses the unique characteristics of the space environment to understand biological, physical, and chemical processes, conducting science and technology research required to enable humans to safely and effectively live and work in space, and transferring knowledge and technologies for Earth benefits. BPR also fosters commercial space research by the private sector toward new or improved products and/or services on Earth, in support of the commercial use of space.

The Committee has expressed its intent that scientific research remain one of NASA's top priorities. However, delays in the construction of the Station and the current stand down of the Shuttle fleet have significantly reduced the opportunities for life and microgravity research in the near term. In order to maximize what research can still be done on the ISS, the Committee funds Biological Sciences Research within Earth science at \$368,000,000, the same as the funding level for fiscal year 2004.

The Committee has made the following adjustments to the budget request:

An increase of \$1,500,000 to the University of Missouri at Columbia for the National Center for Gender Physiology studies on basic biomedical knowledge for the improvement of life on earth and solution of problems in human space flight.

An increase of \$5,000,000 to the Marshall Space Flight Center for propulsion materials microgravity research [OBPR].

An increase of \$2,000,000 for the Alliance for Nanohealth, Houston, Texas to purchase equipment and conduct research on Nanotechnology and medicine.

An increase of \$2,000,000 for the University of Louisville Space Flight Exploration: The Impact on Perception, Cognition, Sleep and Brain Physiology Project at the University of Louisville in Louisville, Kentucky.

An increase of \$1,000,000 to the National Technology Transfer Center at Wheeling Jesuit University to transfer and adapt the Walter Reed Army Medical Center's HealthForces program, into medically underserved rural areas.

An increase of \$1,000,000 to the State University of Buffalo Center for Bioinformatics, Erie, New York.

*Aero-Space Technology.*—NASA's Aerospace Technology Enterprise works to maintain U.S. preeminence in aerospace research and technology. The Enterprise aims to radically improve air travel, making it safer, faster, and quieter as well as more affordable, accessible, and environmentally sound. The Enterprise is also working to develop more affordable, reliable, and safe access to space; improve the way in which air and space vehicles are designed and built; and ensure new aerospace technologies are available to benefit the public.

NASA's Aeronautics program pioneers the identification, development, verification, transfer, application, and commercialization of high-payoff aeronautics technologies. NASA also supports the de-

velopment of technologies to address airport crowding, aircraft engine emissions, aircraft noise, and other issues that could constrain future U.S. air system growth.

The Committee is concerned with the steady decline in the aeronautics research and technology request. The current request in Aeronautics is a cut of \$115,000,000. Even more alarming, NASA's budget projections indicate that this trend will continue. Further, the United States faces major foreign competition in the commercial aviation arena. The Europeans have stated in their "Vision 2020," that they intend to dominate the commercial aviation global market by 2020 through their investment in aeronautics R&D. The Committee feels that the vitality of U.S. aviation should not be left behind. The Committee is committed to the research NASA conducts in aeronautics, and to the benefits, both in terms of safety and economics, that will be made available to the public through NASA led research.

Based on the success of the X-43 program, the Committee is providing \$25,000,000 to continue the research being conducted on hypersonic engine technologies. The Committee also continues to encourage joint NASA and Air Force cooperation and collaboration in advancement of aeronautics technologies in the National interest.

The Committee also includes an increase of \$4,000,000 for NASA Glenn Research Center for Intelligent Propulsion Systems (propulsion 21).

The Committee has made the following adjustments to the budget request:

An increase of \$2,300,000 to the University of Missouri at Rolla for Aerospace Propulsion Particulate Emissions Reduction Program.

An increase of \$1,000,000 for the National Institute of Aviation Research in Kansas for icing research.

An increase of \$2,000,000 to Wichita State University in Wichita, Kansas for the National Center for Advanced Materials Performance for composite materials research.

An increase of \$1,000,000 for the Glenn Research Center for the National Center for Communications, Navigation and Surveillance.

An increase of \$4,000,000 for the Glenn Research Center for the commercial technology program.

An increase of \$3,000,000 to the Inland Northwest Space Alliance in Montana for the FreeFlyer program.

An increase of \$750,000 to the University of Montana in Missoula, Montana for the National Space Privatization Program.

An increase of \$750,000 to Purdue University in West Lafayette, Indiana for the Advanced Manufacturing Institute.

An increase of \$2,000,000 to Wheeling Jesuit University, West Virginia for continued operation of the National Technology Transfer Center.

An increase of \$2,500,000 to Marshall University in Bridgeport, West Virginia for the continuation of NASA related composites workforce development training at the Composites Technology Institute.

An increase of \$1,000,000 to Iowa State University for the Center for Nondestructive Evaluation.

An increase of \$1,000,000 to the University of New Orleans, Louisiana for the Composites Research Center of Excellence and for the development of advanced metallic joining technologies at Michoud Space Center.

An increase of \$1,750,000 to the University of Maryland, College Park for the nanotechnology institute.

An increase of \$1,750,000 to the University of Maryland, Baltimore County for photonics research.

An increase of \$3,000,000 to Chesapeake Information Based Aeronautics Consortium.

An increase of \$2,000,000 to upgrade the High End Production Capability at the Goddard Space Flight Center to improve climate and weather research capabilities.

*Academic Programs.*—The objective of NASA's academic programs is to promote excellence in America's education system through enhancing and expanding scientific and technological competence. Activities conducted within academic programs capture the interest of students in science and technology, develop talented students at the undergraduate and graduate levels, provide research opportunities for students and faculty members at NASA centers, and strengthen and enhance the research capabilities of the Nation's colleges and universities. NASA's education programs span from the elementary through graduate levels, and are directed at students and faculty. Academic programs include the Minority University Research Program, which expands opportunities for talented students from underrepresented groups who are pursuing degrees in science and engineering, and to strengthen the research capabilities of minority universities and colleges.

The Committee has made the following adjustments to the budget request:

An increase of \$1,000,000 for National Center for Air and Space Law at the University of Mississippi.

An increase of \$1,000,000 for Tennessee Technological Institute for the development of a Challenger Learning Center.

An increase of \$500,000 for the Christa McAuliffe Planetarium in New Hampshire for the construction of the Alan Shepard Discovery Center.

An increase of \$500,000 to Southeast Missouri State University for the NASA-ERC Initiative.

An increase of \$1,000,000 to the Texas A&M Space Engineering Institute in College Station, Texas to continue minority engineering outreach in conjunction with NASA.

An increase of \$1,000,000 to Northern Kentucky University/University of Louisville for the Taking Astronomy to the Schools Project at Northern Kentucky University in Campbell County, Kentucky.

An increase of \$1,000,000 for the US Space and Rocket Center in Huntsville, Alabama for education training equipment and the museum exhibit improvement program.

An increase of \$2,000,000 to the SSME program office at Marshall for development of a knowledge management integrated data environment.

An increase of \$750,000 to the Delaware Aerospace Education Foundation in Kent County, Delaware.

An increase of \$750,000 to the Chabot Space and Science Center in Oakland, California for The Future for Humans in Space Education Program.

An increase of \$250,000 to Rowan University, Pomona, New Jersey for the Engineering and Technology Satellite Campus.

An increase of \$250,000 to the Museum of Science and Industry in Chicago, Illinois for the Henry Crown Space Center.

An increase of \$250,000 to Glendale Community College, California for the Cimmarusti Science Center's Teacher Training and Science Education Outreach Program.

An increase of \$500,000 to the Science Center of Iowa in Des Moines, Iowa.

An increase of \$2,000,000 for improvements to the Cooper Library at the University of South Carolina, Columbia, South Carolina.

An increase of \$1,000,000 to the College of Charleston, South Carolina for the School of Science and Mathematics.

An increase of \$1,000,000 to the Boston Museum of Science, Massachusetts for the National Center for Technology Literacy.

An increase of \$750,000 to Space Education Initiative, Wisconsin for the Wisconsin Aerospace Education Initiative.

An increase of \$1,750,000 to the Mitchell Institute, Portland, Maine for science and engineering education.

An increase of \$1,000,000 to the Virginia Air and Space Museum, Norfolk, Virginia.

An increase of \$750,000 for the Griffith Observatory, Los Angeles, California.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2004 .....	\$27,139,000
Budget estimate, 2005 .....	27,600,000
Committee recommendation .....	31,600,000

PROGRAM DESCRIPTION

The Office of Inspector General was established by the Inspector General Act of 1978. The Office is responsible for providing agency-wide audits and investigative functions to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste, and mismanagement.

COMMITTEE RECOMMENDATION

The Committee recommends \$31,600,000 for fiscal year 2005, the same as the budget request and \$4,461,000 above the fiscal year 2004 enacted level. The Committee commends the NASA IG's diligence in addressing issues of fraud and abuse.

The Committee also directs the NASA IG to review NASA's contract procedures and conventions to determine if there are ways to reform the process and reduce the costs of NASA programs and activities. In particular, many NASA contract provisions require NASA to pay for significant cost overruns and, in cases of program delays, significant costs associated with staffing that appear to be maintained solely to ensure the preservation of the institutional memory for the delayed program or activity. The Committee agrees

that institutional memory is critical to the success of many, if not all, NASA programs which are in most cases exceedingly complex. Nevertheless, these costs are substantial and, in some cases, may be unwarranted or unnecessary. As a result, the Committee believes that contract reform should be considered a priority as part of any overall restructuring at NASA.

Within the amount provided to the Office of the Inspector General, \$3,847,000 is provided to conduct the annual audit of NASA's financial statements. This will consolidate responsibility for technical oversight and fiscal management of the contract into a single office.

#### ADMINISTRATIVE PROVISIONS

The Committee recommendation includes a series of provisions, proposed by the administration, which are largely technical in nature, concerning the availability of funds. These provisions have been carried largely, in prior-year appropriation acts.

The Committee is concerned that NASA has not utilized independent cost verification early in the process of estimating costs for its programs and missions. By not using this tool, NASA cannot be certain that potential contract costs are accurately represented. In order to allocate resources for current and future needs, effective cost estimation is crucial. NASA is directed to incorporate independent cost verification as part of the process by which contracts are selected, to use them as a guide for assessing when costs have exceeded expectations, and to help identify projects for termination.

The Committee notes the current difficulties that NASA is facing with its annual financial statement. The independent auditor involved with the annual audit included a disclaimer that NASA did not provide sufficient materials to support the financial statements in order to complete the audit within the guidelines provided by OMB. Further, four material weaknesses were identified. These weaknesses included NASA's inability to provide an audit trail to support NASA's financial statements and the lack of controls over property and equipment. These weaknesses created a lack of documentation to support \$565,000,000,000 in adjustments to NASA's financial statement accounts. As NASA prepares to embark on a significant mission of exploration, NASA must correct these issues immediately before entertaining significant movement on such major undertakings. A clean financial bill of health at NASA will bring clarity to NASA's internal accounting structure and confidence that funds are being used appropriately throughout the agency.

The Committee is concerned about the cost and organizational implications of the recently announced transformation of NASA, and other recommendations proposed in the Aldridge report. Last year the Committee directed the National Academy of Public Administration [NAPA] to conduct a complete review of NASA's organizational, programmatic, and personnel structures. As part of this review, the Committee asks NAPA to include a complete review of the new transformation proposal, as well as a thorough review of the proposal to convert NASA centers into Federally Funded Research and Development Centers. NASA shall provide appropriate funds for the completion of the current NAPA review, including

funds to review the announced NASA organization transformation and the FFRDC recommendation proposed in the Aldridge report.

NATIONAL CREDIT UNION ADMINISTRATION  
CENTRAL LIQUIDITY FACILITY

	Direct loan limitation	Administrative expenses
Appropriations, 2004 .....	\$1,500,000,000	\$310,000
Budget estimate, 2005 .....	1,500,000,000	310,000
Committee recommendation .....	1,500,000,000	310,000

PROGRAM DESCRIPTION

The National Credit Union Administration [NCUA] Central Liquidity Facility [CLF] was created by the National Credit Union Central Liquidity Facility Act (Public Law 95-630). The CLF is a mixed-ownership Government corporation managed by the National Credit Union Administration Board and owned by its member credit unions.

The purpose of the CLF is to improve the general financial stability of credit unions by meeting their seasonal and emergency liquidity needs and thereby encourage savings, support consumer and mortgage lending, and provide basic financial resources to all segments of the economy. To become eligible for CLF services, credit unions invest in the capital stock of the CLF, and the facility uses the proceeds of such investments and the proceeds of borrowed funds to meet the liquidity needs of credit unions. The primary sources of funds for the CLF are stock subscriptions from credit unions and borrowings.

The CLF may borrow funds from any source, with the amount of borrowing limited to 12 times the amount of subscribed capital stock and surplus.

Loans are available to meet short-term requirements for funds attributable to emergency outflows from managerial difficulties or local economic downturns. Seasonal credit is also provided to accommodate fluctuations caused by cyclical changes in such areas as agriculture, education, and retail business. Loans can also be made to offset protracted credit problems caused by factors such as regional economic decline.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of limiting administrative expenses for the Central Liquidity Fund [CLF] to \$310,000 in fiscal year 2005. The Committee recommends a limitation of \$1,500,000,000 for the principal amount of new direct loans to member credit unions. These amounts are the same as the budget request. Funds provided for administrative expenses are the same as the fiscal year 2004 enacted level.

The Committee directs the National Credit Union Administration [NCUA] to continue to provide reports on the lending activities under CLF. This information should be provided to the Committee on a quarterly basis through September 2005.

COMMUNITY DEVELOPMENT REVOLVING LOAN FUND

Appropriations, 2004 .....	\$1,193,000
Budget estimate, 2005 .....	1,000,000
Committee recommendation .....	1,000,000

PROGRAM DESCRIPTION

The Community Development Revolving Loan Fund Program [CDRLF] was established in 1979 to assist officially designated “low-income” credit unions in providing basic financial services to low-income communities. Low-interest loans and deposits are made available to assist these credit unions. Loans or deposits are normally repaid in 5 years, although shorter repayment periods may be considered. Technical assistance grants [TAGs] are also available to low-income credit unions. Until fiscal year 2001, only earnings generated from the CDRLF were available to fund TAGs. Grants are available for improving operations as well as addressing safety and soundness issues. In fiscal year 2004, NCUA designated funds for specific programs, including taxpayer assistance, financial education, home ownership initiatives, remittance services, individual development accounts [IDAs], and training assistance.

COMMITTEE RECOMMENDATION

The Committee provides \$1,000,000 for loans and technical assistance to community development credit unions. This funding level is equal to the budget request and \$193,000 below the fiscal year 2004 enacted level. The Committee has provided additional funds to provide additional technical assistance grants to low-income credit unions in rural areas.

The Committee’s recommendation includes \$200,000 for loans to community development credit unions and \$800,000 for technical assistance to low-income and community development credit unions. The Committee supports NCUA’s outreach to low-income, rural and underserved communities through the Technical Assistance Grants program. The Committee encourages NCUA to continue to develop technical assistance efforts in rural areas in order to assist in the further expansion of basic financial and related services to members which otherwise might not be available in the community. The Committee also supports NCUA’s efforts in providing an alternative to predatory lenders by consistently reaching out to offer financial services, products, and education in the community.

NATIONAL SCIENCE FOUNDATION

Appropriations, 2004 .....	\$5,578,323,000
Budget estimate, 2005 .....	5,744,690,000
Committee recommendation .....	5,744,690,000

GENERAL DESCRIPTION

The National Science Foundation was established as an independent agency by the National Science Foundation Act of 1950 (Public Law 81–507) and is authorized to support research and education programs that promote the progress of science and engineering in the United States. The Foundation supports research

and education in all major scientific and engineering disciplines through grants, cooperative agreements, contracts, and other forms of assistance awarded to more than 2,000 colleges and universities, nonprofit organizations, small businesses, and other organizations in all parts of the United States. The Foundation also supports unique, large-scale research facilities and international facilities.

COMMITTEE RECOMMENDATION

The Committee recommends \$5,744,690,000 for the National Science Foundation for fiscal year 2005. This amount is \$167,170,000 more than the fiscal year 2004 enacted level.

The Committee continues to be supportive of the efforts achieved in the National Science Foundation Authorization Act of 2002 (Public Law 107-368) and the pursuit of a doubling path for NSF funding. However, due to funding constraints, the Committee is not able to provide such funding at this time, but will continue to pursue these efforts in the future.

The Committee notes that productivity growth, powered by new knowledge and technological innovation, makes the economic benefits of a comprehensive, fundamental research and education enterprise abundantly clear. New products, processes, entire new industries, and the employment opportunities that result, depend upon rapid advances in research and their equally rapid movement into the marketplace. In today's global economy, continued progress in science and engineering and the transfer of the knowledge developed is vital if the United States is to maintain its competitiveness. NSF is at the leading edge of the research and discoveries that will create the jobs and technologies of the future.

The Committee reiterates its long-standing requirement for reprogramming, initiation of new programs or activities, and reorganizations. The Committee directs the Foundation to notify the chairman and ranking minority member prior to each reprogramming of funds in excess of \$250,000 between programs, activities, or elements unless an alternate amount is specified elsewhere by the Committee. The Committee expects to be notified of reprogramming actions which involve less than the above-mentioned amount if such actions would have the effect of changing the agency's funding requirements in future years or if programs or projects specifically cited in the Committee's reports are affected. Finally, the Committee wishes to be consulted regarding reorganizations of offices, programs, and activities prior to the planned implementation of such reorganizations.

RESEARCH AND RELATED ACTIVITIES

Appropriations, 2004 .....	\$4,251,360,000
Budget estimate, 2005 .....	4,452,310,000
Committee recommendation .....	4,402,320,000

PROGRAM DESCRIPTION

The Research and Related Activities appropriation addresses the Foundation's three strategic goals: people—developing a diverse, internationally competitive and globally-engaged workforce of scientists, engineers, and well-prepared citizens; ideas—enabling discovery across the frontiers of science and engineering, connected to

learning, innovation, and service to society; and tools—providing broadly accessible, state-of-the-art science and engineering facilities and shared research and education tools. Research activities will contribute to the achieving of these outcomes through expansion of the knowledge base; integration of research and education; stimulation of knowledge transfer among academia and public and private sectors; international activities; and will bring the perspectives of many disciplines to bear on complex problems important to the Nation. The Foundation's discipline-oriented Research and Related Activities Account include: Biological Sciences; Computer and Information Science and Engineering; Engineering; Geosciences; Mathematical and Physical Sciences; Social, Behavioral and Economic Sciences; U.S. Polar Research Programs; U.S. Antarctica Logistical Support Activities; and Integrative Activities.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,402,320,000 for research and related activities. This amount is \$49,990,000 above the fiscal year 2004 enacted level.

Within the amount for research and related activities, the following specific funding levels for each of NSF's research activities are as follows: \$605,460,000 for Biological Sciences, \$629,940,000 for Computer and Information Science, \$575,900,000 for Engineering, \$728,500,000 for Geosciences, \$1,123,090,000 for Mathematical and Physical Sciences, \$224,710,000 for Social, Behavioral and Economic Sciences, \$281,660,000 for Polar Research Programs, \$68,070,000 for Antarctic Logistical Support, and \$164,990,000 for Integrative Activities.

The Committee supports fully the Foundation's efforts to push the boundaries of science and technology issues, especially in the areas of information technology, biotechnology, and nanotechnology. The Committee also applauds the Foundation's efforts to address the problem of science and mathematics education among K-12, undergraduate, and graduate students. However, in order for the Foundation to reach successfully its research and education goals, it must reach out to individuals and schools that have not participated fully in NSF's programs. Accordingly, the Committee remains concerned about programs designed to assist minorities, women, and schools that have not received significant Federal support.

To improve planning and priority-setting for the Foundation and improve the Committee's efforts to understand NSF's long-term budgeting needs, the Committee directs NSF to continue to provide multi-year budgets for all of its multi-disciplinary activities. The Committee is concerned that NSF has taken on more significant initiatives that often require multi-year funding to meet its research goals. NSF shall continue to provide the Committee with documentation that identifies these types of initiatives and their long-range budget implications. Accordingly, the Committee directs NSF to continue to include the funding requirements of all major multi-disciplinary and mid-level activities, in future budget requests.

The Committee recommends \$95,000,000 for the Plant Genome Research Program. This amount is \$5,530,000 above the budget re-

quest and the fiscal year 2004 enacted level. The Committee remains a strong supporter of this important program due to its potential impact on improving economically significant crops. The Committee also recognizes its vast potential in combating hunger in poorer countries and improving the environment throughout the world. Accordingly, the Committee directs the NSF to accelerate funding for this program as authorized under Section 8(3)(c) of the National Science Foundation Authorization Act of 2002 (Public Law 107-368).

NSF has completed the planned 5-year priority for Information Technology Research [ITR] within Computer and Information Science and Engineering [CISE], yet the ITR program has also increased our understanding of computing, communications, and information systems as well as the areas of large-scale networking, new high-end architectures, high-data-volume instruments, and information management. To continue this fundamental research, the Committee has provided \$190,000,000 to ITR within CISE.

NSF has been the lead agency for the National Nanotechnology Initiative, and will continue to provide critical and fundamental understanding to this emerging technology. The Committee fully supports the funding level requested for nanotechnology within the fiscal year 2005 budget request. The Committee believes that the recommended level of funding will allow the Foundation to continue to be the leader for this initiative in a field that is still in its beginning stages. In the past, novel technologies have suffered because of misconceptions of the public. This has led to mistrust and confusion over the benefits that such research can provide. NSF is encouraged to make sure such difficulties are minimized so that this technology can continue to provide the potential breakthroughs needed by materials research and health researchers.

The Committee recognizes the significant infrastructure needs of our Nation's research institutions, especially for smaller research and minority institutions that have not traditionally benefited from Federal programs. The Committee is especially concerned about the larger schools receiving a disproportionate share of scarce Federal resources from indirect cost reimbursements to fund infrastructure needs. As a result, the Committee recommends the Foundation's Major Research Instrumentation [MRI] account address the infrastructure needs of these research institutions. NSF is encouraged to continue to target funds to assist minority serving institutions, which tend to be underrepresented.

The Partnerships for Innovation [PFI] program is expected to address the needs of smaller research institutions and other underfunded entities, as well as enhance infrastructure that is necessary to foster and sustain innovation for the long term. This is to be done through the transformation of knowledge created by these institutions into innovations that will build strong local, regional, and national economies. The Committee recommends \$15,000,000 for the PFI program.

The Committee is concerned that NSF continues to underfund the operations for radio astronomy. The operations, maintenance, and development of new instrumentation at the Very Large Array, the Very Long Baseline Array, and the Green Bank Telescope, allows these world-class facilities to provide valuable research into

the origins of the universe. The Committee provides the National Radio Astronomy Observatories \$55,000,000 for annual operations.

Since 2001, when the National Science Board recommended that NSF take an international leadership role, the Office of International Science and Engineering [OISE] has worked to ensure that U.S. researchers are involved with leading research across the globe. As research becomes more collaborative with partnerships reaching across nations, this office will grow in importance for identifying research opportunities from around the globe. The Committee supports the fiscal year 2005 funding request for OISE in order to keep U.S. research at the forefront of global science.

The Committee fully supports the Foundation's fiscal year 2005 request for the U.S. Arctic Research Program within its Polar Programs activities. The Committee especially appreciates the Foundation's priority for funding Arctic research under its Study of Environmental Arctic Change [SEARCH] program. Nevertheless, the Committee remains concerned about the disparity in funding between the Foundation's Antarctica and Arctic programs and believe that the Foundation must invest more heavily in the U.S. Arctic Research Program. For example, the Committee believes that more investment should be made to address infrastructure needs under the SEARCH program, including support for research in the Barrow Arctic area. The Committee strongly urges the Foundation to address the Barrow infrastructure needs as identified in its July 15, 2002, report to the Committee.

The Committee remains supportive of the International Arctic Research Center in Fairbanks, Alaska, and strongly urges the Foundation to continue its support for the center.

The Committee notes that NSF is investing in a multi-year priority area of research in Human and Social Dynamics, and recognizes that this research will play a role in understanding the complex problems facing our Nation. The Committee is also interested in SBE activities intended to raise the awareness of science in the public. As technology continues to permeate the workplace, the economic health and competitiveness of the Nation will rest upon having a scientifically literate society.

The Committee supports the Foundation's request to boost spending for developing new science and technology [S&T] centers in fiscal year 2005. The Committee encourages the Foundation to fund new S&T centers at institutions that assist minorities, especially those serving Native Hawaiians and Alaskan Natives.

MAJOR RESEARCH EQUIPMENT AND FACILITIES CONSTRUCTION

Appropriations, 2004 .....	\$154,982,000
Budget estimate, 2005 .....	213,270,000
Committee recommendation .....	130,420,000

PROGRAM DESCRIPTION

The major research equipment and facilities construction appropriation supports the acquisition, procurement, construction, and commissioning of unique national research platforms and facilities as well as major research equipment. Projects supported by this appropriation will push the boundaries of technology and offer significant expansion of opportunities, often in new directions, for the

science and engineering community. Preliminary design and development activities, on-going operations, and maintenance costs of the facilities are provided through the research and related activities appropriation account.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$130,420,000 for major research equipment and facilities construction. This amount is \$24,550,000 less than the fiscal year 2004 enacted level and \$82,850,000 below the budget request.

The Committee has provided \$49,670,000 for the Atacama Large Millimeter Array [ALMA], \$47,350,000 for EarthScope, and \$33,400,000 for the IceCube Neutrino Observatory. Due to budgetary constraints, no funding is provided for new starts within this account for fiscal year 2005.

The Committee has received the results of the National Academy of Sciences work on developing a set of criteria that can be used to rank and prioritize the Foundation's large research facilities. The Committee commends the Academy for its work and expects this report will lead to a priority-setting process that is transparent, fair, and rational. The Committee expects NSF, the National Science Board and the Academy to work together to ensure that the recommendations of the Academy are fully implemented for the fiscal year 2006 budget submission.

Consistent with the implementation of the recommendations from the National Research Council's January 14, 2004 report on Setting Priorities for Large Research Facility Projects Supported by the National Science Foundation, the Committee urges NSF to consider the inclusion of funding in its fiscal year 2006 budget request to begin construction of a new research vessel to replace the R/V Alpha Helix.

EDUCATION AND HUMAN RESOURCES

Appropriations, 2004 .....	\$938,990,000
Budget estimate, 2005 .....	771,360,000
Committee recommendation .....	929,150,000

PROGRAM DESCRIPTION

The education and human resources appropriation supports a comprehensive set of programs across all levels of education in science, technology, engineering and mathematics [STEM]. The appropriation supports activities that unite school districts with institutions of higher learning to improve precollege education. Other precollege activities include the development of the next generation of precollege STEM education leaders; instructional materials; and the STEM instructional workforce. Undergraduate activities support curriculum, laboratory, and instructional improvement; expand the STEM talent pool; attract STEM participants to teaching; augment advanced technological education at 2-year colleges; and develop dissemination tools. Graduate support is directed to research and teaching fellowships and traineeships and instructional workforce improvement by linking precollege systems with higher education. Programs also seek to broaden the participation of groups underrepresented in the STEM enterprise, build State and

regional capacity to compete successfully for research funding, and promote informal science education. Ongoing evaluation efforts and research on learning strengthen the base for these programs.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$929,150,000 for education and human resources [EHR]. This amount is \$157,790,000 more than the budget request.

The Committee is deeply disappointed by the administration's lack of support in its budget request for assisting smaller research institutions and minorities. The Committee is particularly troubled by the continued lack of support provided to the Experimental Program to Stimulate Competitive Research [EPSCoR]. The Committee has provided \$95,000,000 to EPSCoR, an increase of \$11,000,000 over the budget request.

The undergraduate "tech talent" expansion program is increased by \$11,120,000 above the request of the administration for a total funding level of \$26,120,000. The Committee strongly encourages NSF to continue support for this plan for undergraduate science and engineering education. This program will continue to help colleges and universities increase the number of U.S. citizens, and permanent residents, pursue degrees in STEM fields. At a time when enrollment in STEM fields of study continues to decline, it is important that NSF use its position to support students working towards degrees in these areas.

The Committee is also providing an additional \$7,840,000 above the budget request to the Advanced Technological Education program. This program supports undergraduate science education activities at the Nation's community colleges by providing faculty and student development, education materials and laboratories at community and 2-year colleges.

To address the importance of broadening science and technology participation to minorities, the Committee recommendation includes an additional \$7,000,000 above the budget request for the Historically Black Colleges and Universities—Undergraduate Program [HBCU-UP]. The Committee also recommends \$36,300,000 for the Louis Stokes Alliance for Minority Participation program.

The Committee is recommending an increase above the request for the HBCU-Research University Science & Technology [THRUST] initiative within the Centers of Research Excellence in Science and Technology [CREST] program of \$10,000,000. Eligibility for THRUST should not exclude CREST recipients, but funds provided in fiscal year 2005 should be used first to fund fully multi-year awards to recipients of THRUST awards in the program's first year. The total level of funding for the CREST program is expected to be \$20,000,000, an increase of \$9,120,000 above the President's request.

The Committee remains supportive of the tribal colleges program and is pleased with the Foundation's inclusion of Alaskan Native serving institutions and Native Hawaiian serving institutions as eligible entities under this program. To that end, the Committee supports the Foundation's continued support of these institutions in the tribal colleges program.

The Committee also continues its strong support for the Informal Science Education [ISE] program. The Committee especially values the ISE program in raising interest among children and young adults in science and technology. The Committee is disappointed in NSF's proposed funding decrease for fiscal year 2005 and provides an additional \$15,000,000 above the request for ISE. The ISE plays a role in the development of science teachers, as well as builds collaborations between informal and formal science institutions, provides opportunities for underrepresented groups, includes the involvement of parents, and enhances the public understanding of mathematics.

The Committee recognizes and is supportive of the request by the administration for an additional 500 fellowships within the Foundation's graduate research education programs. The request will allow for 5,550 fellowships to be funded at \$30,000 per award. The Committee believes that this funding will allow NSF to attract more of the best and brightest students into the science, mathematics, engineering, and technology fields. The Committee also urges NSF to work towards increasing the number of women, minorities, and other underrepresented groups within these programs to the greatest extent possible.

Without prejudice, and reflecting the difficult funding constraints within which the Committee has been given to operate, the Committee has chosen to provide no funding for the new Workforce for the 21st Century program at NSF.

Finally, the Committee rejects the administration's request to transfer the Math and Science Partnership [MSP] program to the Department of Education. Current activities initiated by MSP are only beginning to provide measurable results and have yet to be ready for implementation on a nationwide basis. The MSP program is an important asset in providing improved math and science education by partnering local school districts with faculty of colleges and universities. The Committee recommends that the MSP program be funded at \$110,000,000, an increase of \$30,000,000 above the fiscal year 2004 enacted level.

#### SALARIES AND EXPENSES

Appropriations, 2004 .....	\$218,705,000
Budget estimate, 2005 .....	294,000,000
Committee recommendation .....	269,000,000

#### PROGRAM DESCRIPTION

The salaries and expenses appropriation provides funds for staff salaries, benefits, travel, training, rent, advisory and assistance services, communications and utilities expenses, supplies, equipment, and other operating expenses necessary for management of the agency's research and education activities.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$269,000,000 for salaries and expenses. This amount is \$50,300,000 more than the fiscal year 2004 enacted level.

The Committee is concerned that as NSF has grown in terms of agency funding in recent years, that staffing and structural needs

have not been adequately addressed. The current request for additional NSF FTEs for fiscal year 2005 is 25 FTEs, for a total level of 1,225. The Committee is supportive of this request. As the workload at NSF has increased over time, the agency has struggled to keep up with the demands. Additionally, the increased demands have taken a toll on the infrastructure at NSF. The Committee has included additional funds in order to make improvements to its computer systems, particularly to FastLane.

The Committee notes that NSF has created a senior level management position dedicated to assisting minority-serving institutions. It is expected that NSF will support this position in order to help minority-serving institutions improve the quality of STEM education, and the on campus incorporation of innovative technologies, as well as to increase participation in NSF activities by members of these institutions.

The Committee remains concerned about the Foundation’s management and oversight of its large research facilities. The Committee is especially troubled by the lack of staffing resources provided to the new Deputy Director of Large Facility Projects and accordingly, the Committee directs the Foundation to provide the staffing support necessary for the Deputy Director to perform his job effectively. The Committee directs the Foundation to detail in its fiscal year 2006 operating plan the steps taken to provide additional staffing resources.

OFFICE OF THE NATIONAL SCIENCE BOARD

Appropriations, 2004 .....	\$3,877,000
Budget estimate, 2005 .....	3,950,000
Committee recommendation .....	4,000,000

PROGRAM DESCRIPTION

The National Science Board is the governing body of the National Science Foundation. The Board is composed of 24 members, appointed by the President and confirmed by the Senate. The Board is also charged with serving as an independent adviser to the President and Congress on policy matters related to science and engineering research and education. By law, the Board establishes the policies of the National Science Foundation, provides oversight of its programs and activities, and approves of its strategic directions and budgets. The Board reviews and approves NSF awards at levels above its delegation of authority to the NSF Director.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,000,000 for the National Science Board. This amount is \$120,000 more than the fiscal year 2004 enacted level.

Given the increasing oversight responsibilities of the Board, driven by the growth of the Foundation, the Committee wants to ensure the Board continues to carryout effectively its policy-making and oversight responsibilities. The Committee is providing funding to support the operations, activities, training, expenses, and staffing of the Board.

## OFFICE OF INSPECTOR GENERAL

Appropriations, 2004 .....	\$9,941,000
Budget estimate, 2005 .....	10,110,000
Committee recommendation .....	10,110,000

## PROGRAM DESCRIPTION

The Office of Inspector General appropriation provides audit and investigation functions to identify and correct deficiencies that could create potential instances of fraud, waste, or mismanagement.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$10,110,000 for the Office of Inspector General. This amount is the same as the fiscal year 2005 budget request.

The funds provided will allow the OIG to further its efforts in several priority areas that pose the greatest risk to the agency: financial management, acquisition, information technology, human capital, award administration, awardee financial accountability and compliance, and the management of agency programs and projects. With the funds provided, the OIG will have the capability to provide proactive prevention and detection efforts to determine if violations identified during individual investigations are widespread or whether they undermine the integrity of the data upon which NSF relies.

## NEIGHBORHOOD REINVESTMENT CORPORATION

## PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

Appropriations, 2004 .....	\$114,323,000
Budget estimate, 2005 .....	115,000,000
Committee recommendation .....	115,000,000

## PROGRAM DESCRIPTION

The Neighborhood Reinvestment Corporation was created by the Neighborhood Reinvestment Corporation Act (title VI of the Housing and Community Development Amendments of 1978, Public Law 95-557, October 31, 1978). Neighborhood Reinvestment helps local communities establish working partnerships between residents and representatives of the public and private sectors. These partnership-based organizations are independent, tax-exempt, nonprofit entities and are often known as Neighborhood Housing Services [NHS] or mutual housing associations. Collectively, these organizations are known as the NeighborWorks® network.

Nationally, 228 NeighborWorks® organizations serve over 2,500 urban, suburban and rural communities in 49 States, the District of Columbia, and Puerto Rico. In fiscal year 2003, the NeighborWorks® network assisted nearly 84,000 families to obtain and maintain safe and affordable rental and homeownership units, where 70 percent of the people served are in the very low and low-income brackets.

Neighborhood Reinvestment also provides grants to Neighborhood Housing Services of America [NHSA], the NeighborWorks® network's national secondary market. The mission of NHSA is to

utilize private sector support to replenish local NeighborWorks® organizations' revolving loan funds. These loans are used to back securities that are placed with private sector social investors.

COMMITTEE RECOMMENDATION

The Committee recommends \$115,000,000 for the Neighborhood Reinvestment Corporation, the same level as the budget request and \$677,000 above the fiscal year 2004 enacted level.

The Committee has included a set-aside of \$5,000,000 for the multifamily rental housing initiative. This program has been successful in producing mixed-income affordable housing in communities with affordable housing shortages.

The Committee commends Neighborhood Reinvestment for their capacity building support of rural organizations. Funding support for rural NeighborWorks® organizations has increased significantly over the past several years and for fiscal year 2005, NRC expect direct investments by NeighborWorks® organizations serving rural communities across the Nation to reach \$500,000,000. The Committee strongly supports these investments and urges the Corporation to develop a long-range plan in addressing the needs of rural communities.

The Committee continues to support the work being done by NeighborWorks® members to combat predatory lending practices. The Committee recognizes the importance that financial literacy and homeownership counseling have in preventing people from becoming victims of predatory schemes. The Committee also recognizes that NeighborWorks® members have successfully counseled tens of thousands of people who went on to become homeowners and encourages the Neighborhood Reinvestment Corporation and its network to expand its education and counseling programs.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

Appropriations, 2004 .....	\$26,308,000
Budget estimate, 2005 .....	26,300,000
Committee recommendation .....	26,300,000

PROGRAM DESCRIPTION

The Selective Service System [SSS] was reestablished by the Selective Service Act of 1948. The basic mission of the System is to be prepared to supply manpower to the Armed Forces adequate to ensure the security of the United States during a time of national emergency. Since 1973, the Armed Forces have relied on volunteers to fill military manpower requirements. However, the Selective Service System remains the primary vehicle by which personnel will be brought into the military if Congress and the President should authorize a return to the draft.

In December 1987, Selective Service was tasked by law (Public Law 100-180, sec. 715) to develop plans for a postmobilization-health-care-personnel-delivery system capable of providing the necessary critically skilled health-care personnel to the Armed Forces in time of emergency. An automated system capable of handling mass registration and inductions is now complete, together with

necessary draft legislation, a draft Presidential proclamation, prototype forms and letters, et cetera. These products will be available should the need arise. The development of supplemental standby products, such as a compliance system for health care personnel, continues using very limited existing resources.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$26,300,000 for the Selective Service System. This amount is the same as the budget request and \$147,000 below the fiscal year 2004 enacted level. The Committee also prohibits the use of any funds to support the Corporation for National and Community Service.

#### TITLE IV—GENERAL PROVISIONS

The Committee recommends inclusion of 26 general provisions. They are largely standard provisions which have been carried in the VA, HUD, and Independent Agencies appropriations bill in the past or technical corrections.

In addition, the Committee has concerns regarding the Federal Energy Regulatory Commission Administrative Law Judge's decision in Docket Nos. OR89-2-017; Docket No. OR96-14-006; Docket No. OR98-24-002; Docket No. IS03-137-001; Docket No. IS03-141-001; Docket No. IS03-142-001; Docket No. IS03-143-001; Docket No. IS03-144-001. Given the importance of continued domestic refinery activity in order to protect national fuel supplies, the Committee expects FERC to evaluate carefully the disputed Resid valuation and retroactive refund matter affecting the TAPS Quality Bank Adjustments. The Committee is particularly concerned about the equity of assigning retroactive refunds beyond a term of 15 months. The Committee may address this issue in more detail at conference.

For purposes of this section, the term "TAPS Quality Bank Adjustments" means monetary adjustments paid by or to shippers of oil on the Trans Alaska Pipeline System through the operation of a quality bank to compensate for the value of the shippers' oil commingled in the pipeline.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE  
STANDING RULES OF THE SENATE

Paragraph 7 of Rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill “which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.”

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Rural housing and economic development: \$25,000,000.  
Brownfields: \$25,000,000.

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI OF THE  
STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on September 21, 2004, the Committee ordered reported S. 2825, an original bill making appropriations the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2005, subject to amendment and subject to the budget allocations, by a recorded vote of 29–0, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Stevens	
Mr. Cochran	
Mr. Specter	
Mr. Domenici	
Mr. Bond	
Mr. McConnell	
Mr. Burns	
Mr. Shelby	
Mr. Gregg	
Mr. Bennett	
Mr. Campbell	
Mr. Craig	
Mrs. Hutchison	
Mr. DeWine	
Mr. Brownback	
Mr. Byrd	
Mr. Inouye	
Mr. Hollings	
Mr. Leahy	
Mr. Harkin	
Ms. Mikulski	
Mr. Reid	

Mr. Kohl  
 Mrs. Murray  
 Mr. Dorgan  
 Mrs. Feinstein  
 Mr. Durbin  
 Mr. Johnson  
 Ms. Landrieu

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE  
 STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

With respect to this bill, it is the opinion of the Committee that it is necessary to dispense with these requirements in order to expedite the business of the Senate.

BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC.  
 308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount of bill	Committee allocation	Amount of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in the Budget Resolution for 2005: Subcommittee on Veterans Affairs, Housing and Urban Development, and Independent Agencies:				
Discretionary .....	92,930	92,930	101,732	<sup>1</sup> 101,100
Mandatory .....	38,912	35,107	38,535	<sup>1</sup> 34,688
Projection of outlays associated with the recommendation:				
2005 .....				<sup>2</sup> 87,773
2006 .....				24,596
2007 .....				8,994
2008 .....				4,293
2009 and future years .....				3,687
Financial assistance to State and local governments for 2005 .....	NA	31,046	NA	11,075

<sup>1</sup> Includes outlays from prior-year budget authority.

<sup>2</sup> Excludes outlays from prior-year budget authority.

NA: Not applicable.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2005  
 [In thousands of dollars]

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2004 appropriation	Budget estimate
TITLE I					
DEPARTMENT OF VETERANS AFFAIRS					
Veterans Benefits Administration					
Compensation and pensions .....	29,845,127	32,607,688	32,607,688	+ 2,762,561	.....
Readjustment benefits .....	2,529,734	2,556,232	2,556,232	+ 26,498	.....
Veterans insurance and indemnities .....	29,017	44,380	44,380	+ 15,363	.....
Veterans housing benefit program (fund program account (indefinite) .....	305,834	43,784	43,784	- 262,050	.....
(Limitation on direct loans) .....	(300)	(500)	(500)	(+ 200)	(+ 500)
Credit subsidy .....	.....	-144,000	-144,000	-144,000	.....
Administrative expenses .....	153,936	154,075	154,075	+ 139	.....
Education loan fund program account .....	1	.....	.....	- 1	.....
(Limitation on direct loans) .....	(3)	.....	.....	(- 3)	.....
Administrative expenses .....	70	.....	.....	- 70	.....
Vocational rehabilitation loans program account .....	52	47	47	- 5	.....
(Limitation on direct loans) .....	(3,938)	(4,108)	(4,108)	(+ 170)	.....
Administrative expenses .....	298	311	311	+ 13	.....
Native American Veteran Housing Loan Program Account .....	568	571	571	+ 3	.....
Total, Veterans Benefits Administration .....	32,864,637	35,263,088	35,263,088	+ 2,398,451	.....
Veterans Health Administration					
Medical services .....	16,662,054	.....	17,198,600	+ 536,546	+ 17,198,600
Two year funding .....	1,100,000	.....	1,100,000	.....	+ 1,100,000
(Emergency appropriations) .....	.....	.....	1,200,000	+ 1,200,000	+ 1,200,000
Medical administration .....	4,970,500	.....	4,705,000	- 265,500	+ 4,705,000
Medical facilities .....	3,976,400	.....	3,745,000	- 231,400	+ 3,745,000
Medical and prosthetic research .....	405,593	384,770	405,593	.....	+ 20,823
Medical care .....	.....	25,352,600	.....	.....	- 25,352,600

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2005—Continued

(In thousands of dollars)

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2004 appropriation	Budget estimate
Two-year funding .....		1,396,000			-1,396,000
Rescission .....	-270,000			+270,000	
Medical care cost recovery collections:					
Offsetting collections .....	-1,554,772	-2,002,000	-2,002,000	-447,228	
Appropriations (indefinite) .....	1,554,772	2,002,000	2,002,000	447,228	
Accelerated spending of balances (Sec. 114b) .....					
Total, Veterans Health Administration .....	26,844,547	27,133,370	28,354,193	+1,509,646	+1,220,823
Offsetting collections .....	(-1,554,772)	(-2,002,000)	(-2,002,000)	(-447,228)	
Total available to VHA .....	(28,399,319)	(29,135,370)	(30,356,193)	(+1,956,874)	(+1,220,823)
Departmental Administration					
General operating expenses .....	1,275,701	1,324,753	1,399,753	+124,052	+75,000
National Cemetery Administration .....	143,352	148,925	148,925	+5,573	
Office of Inspector General .....	61,634	64,711	64,711	+3,077	
Construction, major projects .....	271,081	458,800	458,800	+187,719	
Omnibus Appropriations (Public Law 108-199) Sec. 167 .....	497			-497	
Construction, minor projects .....	250,656	230,799	230,799	-19,857	
Grants for construction of State extended care facilities .....	101,498	105,163	105,163	+3,665	
Grants for the construction of State veterans cemeteries .....	31,811	32,000	32,000	+189	
Total, Departmental Administration .....	2,136,230	2,365,151	2,440,151	+303,921	+75,000
Total, title I, Department of Veterans Affairs .....	61,845,414	64,761,609	66,057,432	+4,212,018	+1,295,823
Appropriations .....	(63,670,186)	(65,367,609)	(66,859,432)	(+3,189,246)	(+1,491,823)
Rescissions .....	(-270,000)			(+270,000)	
(Emergency appropriations) .....			1,200,000	+1,200,000	+1,200,000
Offsetting collections .....	(-1,554,772)	(-2,002,000)	(-2,002,000)	(-447,228)	

	(4,241)	(4,108)	(4,608)	(+ 367)	(+ 500)
(Limitation on direct loans) .....					
Mandatory .....	(32,709,712)	(35,108,084)	(35,108,084)	(+ 2,398,372)	
Net discretionary .....	(29,135,702)	(29,653,525)	(30,949,348)	(+ 1,813,646)	(+ 1,295,823)
Medical care collection fund .....	(1,554,772)	(2,002,000)	(2,002,000)	(+ 447,228)	
Total discretionary available .....	(30,690,474)	(31,655,525)	(32,951,348)	(+ 2,260,874)	(+ 1,295,823)
TITLE II					
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Public and Indian Housing					
Housing Certificate Fund:					
Direct appropriation .....	15,081,970	14,265,800	16,507,804	+ 1,425,834	+ 2,242,004
Advance appropriations provided in previous acts .....	4,175,220	4,200,000	4,200,000	+ 24,780	
Rescission .....	- 2,844,000	- 1,557,000	- 2,588,172	+ 255,828	- 1,031,172
Subtotal, Housing certificate fund .....	16,413,190	16,908,800	18,119,632	+ 1,706,442	+ 1,210,832
Advance appropriations provided in current year .....	4,200,000	4,200,000	4,200,000		
Total, Housing certificate fund .....	20,613,190	21,108,800	22,319,632	+ 1,706,442	+ 1,210,832
Public housing capital fund .....	2,696,253	2,674,100	2,700,000	+ 3,747	+ 25,900
Public housing operating fund .....	3,578,760	3,573,000	2,610,000	- 968,760	- 963,000
Revitalization of severely distressed public housing .....	149,115		150,000	+ 885	+ 150,000
Public housing elimination grants (rescission) .....		- 5,000	- 5,000	- 5,000	
Native American housing block grants .....	650,241	647,000	650,241		+ 3,241
Title VI credit subsidy (rescission) .....		- 21,000	- 21,000	- 21,000	
Indian housing loan guarantee fund program account .....	5,269	1,000	1,000	- 4,269	
(Limitation on guaranteed loans) .....	(197,243)	(29,070)	(29,070)	(- 168,173)	
Indian housing credit subsidy (rescission) .....		- 33,000	- 33,000	- 33,000	
Native Hawaiian housing block grant .....		9,500			- 9,500
Native Hawaiian housing loan guarantee fund .....	1,029	1,000	1,000	- 29	
(Limitation on guaranteed loans) .....	(39,712)	(37,403)	(37,403)	(- 2,309)	
Total, Public and Indian Housing .....	27,693,857	27,955,400	28,372,873	+ 679,016	+ 417,473
Current year advance appropriations .....	4,200,000	4,200,000	4,200,000		
Net total (excluding current year advances) .....	23,493,857	23,755,400	24,172,873	+ 679,016	+ 417,473

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2005—Continued

[In thousands of dollars]

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2004 appropriation	Budget estimate
Appropriations .....	(26,337,857)	(25,371,400)	(26,820,045)	(+ 482,188)	(+ 1,448,645)
Rescissions .....	(- 2,844,000)	(- 1,616,000)	(- 2,647,172)	(+ 196,828)	(- 1,031,172)
<b>Community Planning and Development</b>					
Housing opportunities for persons with AIDS .....	294,751	294,800	294,800	+ 49	.....
Rural housing and economic development .....	24,853	.....	25,000	+ 147	+ 25,000
Empowerment zones/enterprise communities .....	14,912	.....	.....	- 14,912	.....
Community development fund .....	4,920,795	4,618,094	4,950,000	+ 29,205	+ 331,906
Omnibus Appropriations (Public Law 108-199) Sec. 165 .....	9,941	.....	.....	- 9,941	.....
Omnibus Appropriations (Public Law 108-199) Sec. 167 .....	2,992	.....	.....	- 2,992	.....
Urban development action grant (rescission) .....	- 30,000	.....	.....	+ 30,000	.....
Section 108 loan guarantees:					
(Limitation on guaranteed loans) .....	(275,000)	.....	(275,000)	.....	(+ 275,000)
Credit subsidy .....	6,288	.....	6,325	+ 37	+ 6,325
Administrative expenses .....	994	.....	1,000	+ 6	+ 1,000
Brownfields redevelopment .....	24,853	.....	25,000	+ 147	+ 25,000
HOME investment partnerships program .....	2,005,597	2,084,200	2,050,000	+ 44,403	- 34,200
Homeless assistance grants .....	1,259,525	1,282,400	1,260,000	+ 475	- 22,400
Samaritan housing initiative (legislative proposal) .....	.....	50,000	.....	.....	- 50,000
<b>Total, Community planning and development .....</b>	<b>8,535,501</b>	<b>8,329,494</b>	<b>8,612,125</b>	<b>+ 76,624</b>	<b>+ 282,631</b>
<b>Housing Programs</b>					
Housing for the elderly .....	773,728	773,300	773,800	+ 72	+ 500
Housing for persons with disabilities .....	249,092	248,700	250,000	+ 908	+ 1,300
Housing counseling assistance .....	.....	45,000	.....	.....	- 45,000
Rental housing assistance (rescission) .....	- 303,000	- 675,000	- 675,000	- 372,000	.....
Manufactured housing fees trust fund .....	12,923	13,000	13,000	+ 77	.....

Offsetting collections .....	- 12,923	- 13,000	- 13,000	- 77	.....
Total, housing programs .....	719,820	392,000	348,800	- 371,020	- 43,200
Federal Housing Administration					
FHA—Mutual mortgage insurance program account:					
(Limitation on guaranteed loans) .....	(185,000,000)	(185,000,000)	(185,000,000)	.....	.....
(Limitation on direct loans) .....	(50,000)	(50,000)	(50,000)	.....	.....
Administrative expenses .....	356,882	366,000	366,000	+ 9,118	.....
Offsetting receipts .....	- 2,921,000	- 2,206,000	- 2,206,000	+ 715,000	.....
Offsetting receipts (legislative proposal) .....	.....	- 28,000	- 28,000	- 28,000	.....
Administrative contract expenses .....	84,499	70,900	70,900	- 13,599	.....
Additional contract expenses .....	1,000	1,000	1,000	.....	.....
FHA—General and special risk program account:					
(Limitation on guaranteed loans) .....	(25,000,000)	(35,000,000)	(35,000,000)	(+ 10,000,000)	.....
(Limitation on direct loans) .....	(50,000)	(50,000)	(50,000)	.....	.....
Administrative expenses .....	227,649	234,000	234,000	+ 6,351	.....
Offsetting receipts .....	- 225,000	- 240,000	- 240,000	- 15,000	.....
Credit subsidy .....	14,912	10,000	10,000	- 4,912	.....
GI/SRI credit .....	.....	- 30,000	- 30,000	- 30,000	.....
Non-overhead administrative expenses .....	93,227	81,600	81,600	- 11,627	.....
Additional contract expenses .....	4,000	4,000	4,000	.....	.....
Total, Federal Housing Administration .....	- 2,363,831	- 1,736,500	- 1,736,500	+ 627,331	.....
Government National Mortgage Association (GNMA)					
Guarantees of mortgage-backed securities loan guarantee program account:					
(Limitation on guaranteed loans) .....	(200,000,000)	(200,000,000)	(200,000,000)	.....	.....
Administrative expenses .....	10,695	10,986	10,986	+ 291	.....
Offsetting receipts .....	- 316,124	- 368,000	- 368,000	- 51,876	.....
Research and technology .....	46,723	46,700	46,700	- 23	.....
Fair housing and Equal Opportunity .....	47,717	47,700	47,700	- 17	.....
Office of Lead Hazard Control .....	.....	.....	.....	.....	.....
Lead hazard reduction .....	173,968	139,000	175,000	+ 1,032	+ 36,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2005—Continued

(In thousands of dollars)

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2004 appropriation	Budget estimate
<b>Management and Administration</b>					
Salaries and expenses .....	543,773	591,579	590,579	+ 46,806	- 1,000
Transfer from:					
Limitation on FHA corporate funds .....	(564,000)	(576,000)	(576,000)	(+ 12,000)	
GNMA .....	(10,695)	(10,986)	(10,986)	(+ 291)	
Community Development Loan Guarantees Program .....	(1,000)		(1,000)		(+ 1,000)
Native American Housing Block Grants .....	(150)	(150)	(150)		
Indian Housing Loan Guarantees Fund Program .....	(250)	(250)	(250)		
Native Hawaiian Housing Loan Guarantees .....	(35)	(35)	(35)		
Total, Salaries and expenses .....	(1,119,903)	(1,179,000)	(1,179,000)	(+ 59,097)	
Working capital fund .....	233,614	234,000	234,000	+ 386	
Office of Inspector General .....	76,546	77,000	83,500	+ 6,954	+ 6,500
(By transfer, limitation on FHA corporate funds) .....	(24,000)	(24,000)	(24,000)		
Total, Office of Inspector General .....	(100,546)	(101,000)	(107,500)	(+ 6,954)	(+ 6,500)
Office of Federal Housing Enterprise Oversight .....	39,680	44,259	59,209	+ 19,529	+ 14,950
Offsetting receipts .....	-39,680	-44,259	-59,209	-19,529	-14,950
Total, title II, Department of Housing and Urban Development .....	35,402,259	35,719,359	36,417,763	+ 1,015,504	+ 698,404
Current year advance appropriations .....	4,200,000	4,200,000	4,200,000		
Net total (excluding current year advances) .....	31,202,259	31,519,359	32,217,763	+ 1,015,504	+ 698,404
Appropriations .....	(37,893,986)	(36,739,618)	(38,484,144)	(+ 590,158)	(+ 1,744,526)
Rescissions .....	(-3,177,000)	(-2,321,000)	(-3,352,172)	(-175,172)	(-1,031,172)
Offsetting receipts .....	(-3,462,124)	(-2,842,000)	(-2,842,000)	(+ 620,124)	
Offsetting collections .....	(-52,603)	(-57,259)	(-72,209)	(-19,606)	(-14,950)
(Limitation on direct loans) .....	(100,000)	(100,000)	(100,000)		

	(410,511,955) (600,130)	(420,066,473) (611,421)	(420,341,473) (612,421)	(+ 9,829,518) (+ 12,291)	(+ 275,000) (+ 1,000)
TITLE III					
INDEPENDENT AGENCIES					
American Battle Monuments Commission					
Salaries and expenses .....	41,056	41,100	46,100	+ 5,044	+ 5,000
Chemical Safety and Hazard Investigation Board					
Salaries and expenses .....	8,201	8,566	9,000	+ 799	+ 434
Emergency fund .....	447	450		- 447	- 450
Total .....	8,648	9,016	9,000	+ 352	- 16
Department of the Treasury					
Community Development Financial Institutions					
Community development financial institutions fund program account .....	60,640	48,403	55,000	- 5,640	+ 6,597
Consumer Product Safety Commission					
Salaries and expenses .....	59,646	62,650	62,650	+ 3,004	
Corporation for National and Community Service					
National and community service programs operating expenses .....	549,961	636,232	558,311	+ 8,350	- 77,921
National Service Trust .....					
Salaries and expenses .....	24,853		25,500	+ 647	+ 25,500
Office of Inspector General .....	6,213	6,000	6,250	+ 37	+ 250
Total .....	581,027	642,232	590,061	+ 9,034	- 52,171
U.S. Court of Appeals for Veterans Claims					
Salaries and expenses .....	15,844	17,623	17,623	+ 1,779	
Department of Defense—Civil					
Cemeterial Expenses, Army					
Salaries and expenses .....	28,829	29,600	29,600	+ 771	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2005—Continued

[In thousands of dollars]

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2004 appropriation	Budget estimate
Department of Health and Human Services					
National Institute of Health					
National Institute of Environmental Health Sciences	78,309	80,486	80,486	+ 2,177	
Centers for Disease Control and Prevention					
Agency for Toxic Substances and Disease Registry					
Toxic substances and environmental public health	73,034	76,654	76,654	+ 3,620	
Total, Department of Health and Human Services	151,343	157,140	157,140	+ 5,797	
Environmental Protection Agency					
Science and Technology	781,685	689,185	758,179	- 23,506	+ 68,994
Transfer from Hazardous Substance Superfund	44,433	36,097	36,097	- 8,336	
Subtotal, Science and Technology	826,118	725,282	794,276	- 31,842	+ 68,994
Environmental Programs and Management	2,280,046	2,316,959	2,310,263	+ 30,217	- 6,696
Office of Inspector General	37,336	37,997	38,000	+ 664	+ 3
Transfer from Hazardous Substance Superfund	13,136	13,214	13,214	+ 78	
Subtotal, OIG	50,472	51,211	51,214	+ 742	+ 3
Buildings and facilities	39,764	42,918	40,000	+ 236	- 2,918
Hazardous Substance Superfund	1,257,537	1,381,416	1,381,416	+ 123,879	
Transfer to Office of Inspector General	- 13,136	- 13,214	- 13,214	- 78	
Transfer to Science and Technology	- 44,434	- 36,097	- 36,097	+ 8,337	
Subtotal, Hazardous Substance Superfund	1,199,967	1,332,105	1,332,105	+ 132,138	

Leaking Underground Storage Tank Program	75,552	72,545	70,000	- 5,552	- 2,545
Oil spill response	16,113	16,425	16,000	- 113	- 425
Pesticide registration fund		19,400	19,400	+ 19,400	
Pesticide registration fees		- 19,400	- 19,400	- 19,400	
State and Tribal Assistance Grants	2,705,543	1,979,500	2,724,000	+ 18,457	+ 744,500
Omnibus Appropriations (Public Law 108-199) Sec. 167	3,976			- 3,976	
Categorical grants	1,168,266	1,252,300	1,162,550	- 5,716	- 89,750
Subtotal, STAG	3,877,785	3,231,800	3,886,550	+ 8,765	+ 654,750
Total, EPA	8,365,817	7,789,245	8,500,408	+ 134,591	+ 711,163
Executive Office of the President					
Office of Science and Technology Policy	6,986	7,081	7,081	+ 95	
Council on Environmental Quality and Office of Environmental Quality	3,219	3,284	3,284	+ 65	
Total	10,205	10,365	10,365	+ 160	
Federal Deposit Insurance Corporation					
Office of Inspector General (transfer)	(30,125)	(30,125)	(30,625)	(+ 500)	(+ 500)
General Services Administration					
Federal Citizen Information Center Fund	13,917	14,907	14,907	+ 990	
U.S. Interagency Council on Homelessness					
Operating expenses	1,491	1,500	1,500	+ 9	
National Aeronautics and Space Administration					
Space flight capabilities	7,467,779	8,456,400	7,811,100	+ 343,321	- 645,300
(Emergency appropriations)			600,000	+ 600,000	+ 600,000
Science, aeronautics and exploration	7,883,114	7,760,000	7,736,500	- 146,614	- 23,500
(Emergency appropriations)			200,000	+ 200,000	+ 200,000
Office of Inspector General	27,139	27,600	31,600	+ 4,461	+ 4,000
Total, NASA	15,378,032	16,244,000	16,379,200	+ 1,001,168	+ 135,200
National Credit Union Administration					
Central liquidity facility:	(1,500,000)	(1,500,000)	(1,500,000)		
(Limitation on direct loans)					

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2005—Continued

(In thousands of dollars)

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2004 appropriation	Budget estimate
(Limitation on administrative expenses, corporate funds) .....	(310)	(310)	(310)		
Community Development Revolving Loan Fund .....	1,193	1,000	1,000	-193	
National Science Foundation					
Research and related activities .....	4,183,769	4,384,000	4,336,320	+152,551	-47,680
Defense function .....	67,599	68,000	68,000	+401	
Subtotal .....	4,251,368	4,452,000	4,404,320	+152,952	-47,680
Major research equipment and facilities construction .....	154,980	213,270	130,420	-24,560	-82,850
Education and human resources .....	938,977	771,360	929,150	-9,827	+157,790
Salaries and expenses .....	218,702	294,000	269,000	+50,298	-25,000
National Science Board .....	3,877	3,950	4,000	+123	+50
Office of Inspector General .....	9,941	10,110	10,110	+169	
Total, NSF .....	5,577,845	5,744,690	5,747,000	+169,155	+2,310
Neighborhood Reinvestment Corporation					
Payment to the Neighborhood Reinvestment Corporation .....	114,322	115,000	115,000	+678	
Selective Service System					
Salaries and expenses .....	26,153	26,300	26,300	+147	
Total, title III, Independent agencies .....	30,436,008	30,954,771	31,762,854	+1,326,846	+808,083
Appropriations .....	(30,436,008)	(30,954,771)	(30,962,854)	(+526,846)	(+8,083)
(Emergency appropriations) .....			(800,000)	(+800,000)	(+800,000)
(By transfer) .....	(30,125)	(30,125)	(30,625)	(+500)	(+500)
(Limitation on direct loans) .....	(1,500,000)	(1,500,000)	(1,500,000)		
(Limitation on corporate funds) .....	(310)	(310)	(310)		
Grand total .....	127,683,681	131,435,739	134,238,049	+6,554,368	+2,802,310

	4,200,000	4,200,000	4,200,000	4,200,000	.....	.....
Current year advances (housing cert. fund) .....						
Net grand total .....						
Appropriations .....	123,483,681	127,235,739	130,038,049	136,306,430	+ 6,554,368	+ 2,802,310
Rescissions .....	(132,000,180)	(133,061,998)	(136,306,430)	(136,306,430)	(+ 4,306,250)	(+ 3,244,432)
(Emergency appropriations) .....	(- 3,447,000)	(- 2,321,000)	(- 3,352,172)	(- 3,352,172)	(+ 94,828)	(- 1,031,172)
Offsetting receipts .....	.....	.....	(2,000,000)	(2,000,000)	(+ 2,000,000)	(+ 2,000,000)
Offsetting collections .....	(- 3,462,124)	(- 2,842,000)	(- 2,842,000)	(- 2,842,000)	(+ 620,124)	(- 14,950)
(By transfer) .....	(- 1,607,375)	(- 2,059,259)	(- 2,074,209)	(- 2,074,209)	(- 466,834)	(+ 500)
(Limitation on direct loans) .....	(30,125)	(30,125)	(30,625)	(30,625)	(+ 500)	(+ 500)
(Limitation on guaranteed loans) .....	(1,604,241)	(1,604,108)	(1,604,608)	(1,604,608)	(+ 367)	(+ 500)
(Limitation on corporate funds) .....	(410,511,955)	(420,066,473)	(420,341,473)	(420,341,473)	(+ 9,829,518)	(+ 275,000)
	(600,440)	(611,731)	(612,731)	(612,731)	(+ 12,291)	(+ 1,000)
TITLE I—Department of Veterans Affairs						
Veterans Benefits Administration .....	32,864,637	35,263,088	35,263,088	35,263,088	+ 2,398,451	.....
Veterans Health Administration .....	26,844,547	27,133,370	28,354,193	28,354,193	+ 1,509,646	+ 1,220,823
Departmental administration .....	2,136,230	2,365,151	2,440,151	2,440,151	+ 303,921	+ 75,000
Total, Title I—Department of Veterans Affairs .....	61,845,414	64,761,609	66,057,432	66,057,432	+ 4,212,018	+ 1,295,823
TITLE II—Dept. of Housing and Urban Dev						
Public and Indian housing (excluding CY advances) .....	23,493,857	23,755,400	24,172,873	24,172,873	+ 679,016	+ 417,473
Community and planning development .....	8,535,501	8,329,494	8,612,125	8,612,125	+ 76,624	+ 282,631
Housing programs .....	719,820	392,000	348,800	348,800	- 371,020	- 43,200
Federal Housing Administration .....	- 2,363,831	- 1,736,500	- 1,736,500	- 1,736,500	+ 627,331	.....
Government National Mortgage Association (GNMA) .....	- 305,429	- 357,014	- 357,014	- 357,014	- 51,585	.....
Policy development and research .....	46,723	46,700	46,700	46,700	- 23	.....
Fair housing and equal opportunity activities .....	47,717	47,700	47,700	47,700	- 17	.....
Office of Lead Hazard Control .....	173,968	139,000	175,000	175,000	+ 1,032	+ 36,000
Management and administration .....	1,119,903	1,179,000	1,179,000	1,179,000	+ 59,097	.....
Working capital fund .....	233,614	234,000	234,000	234,000	+ 386	.....
Office of Inspector General .....	100,546	101,000	107,500	107,500	+ 6,954	+ 6,500
Total, Title II—Dept. of Housing and Urban Development (excluding CY advances) .....	31,202,259	31,519,359	32,217,763	32,217,763	+ 1,015,504	+ 698,404
TITLE III—Independent Agencies						
American Battle Monuments Commission .....	41,056	41,100	46,100	46,100	+ 5,044	+ 5,000
Chemical Safety and Hazard Investigation Board .....	8,201	8,566	9,000	9,000	+ 799	+ 434

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2004 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2005—Continued

(In thousands of dollars)

Item	2004 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2004 appropriation	Budget estimate
Community development financial institutions fund (Department of Treasury) .....	60,640	48,403	55,000	- 5,640	+ 6,597
Interagency Council on the Homeless .....	1,491	1,500	1,500	+ 9	.....
Consumer Product Safety Commission .....	59,646	62,650	62,650	+ 3,004	.....
Corporation for National and Community Service .....	581,027	642,232	590,061	+ 9,034	- 52,171
U.S. Court of Appeals for Veterans Claims .....	15,844	17,623	17,623	+ 1,779	.....
General expenses, Army .....	28,829	29,600	29,600	+ 771	.....
HHS/NIH-Institute of Environmental Health Sciences and (CDC-Toxic Substances and Disease Registry) .....	151,343	157,140	157,140	+ 5,797	.....
Environmental Protection Agency .....	8,365,817	7,789,245	8,500,408	+ 134,591	+ 711,163
EOP/Office of Science and Technology Policy, Council Environmental Qual, and Office of Environmental Qual .....	10,205	10,365	10,365	+ 160	.....
Federal Deposit Insurance Corp .....	30,125	30,125	30,625	+ 500	+ 500
GSA/Federal Consumer Information Center .....	13,917	14,907	14,907	+ 990	.....
National Aeronautics and Space Administration .....	15,378,032	16,244,000	16,379,200	+ 1,001,168	+ 135,200
National Credit Union Administration .....	1,193	1,000	1,000	- 193	.....
National Science Foundation .....	5,577,845	5,744,690	5,747,000	+ 169,155	+ 2,310
Neighborhood Reinvestment Corporation .....	114,322	115,000	115,000	+ 678	.....
Selective Service System .....	26,153	26,300	26,300	+ 147	.....
Total Title III—Independent Agencies .....	30,436,008	30,954,771	31,762,854	+ 1,326,846	+ 808,083
Net grand total .....	123,483,681	127,235,739	130,038,049	+ 6,554,368	+ 2,802,310
Mandatory .....	(32,709,712)	(35,108,084)	(35,108,084)	(+ 2,398,372)	.....
Discretionary .....	(90,773,969)	(92,127,655)	(94,929,965)	(+ 4,155,996)	(+ 2,802,310)